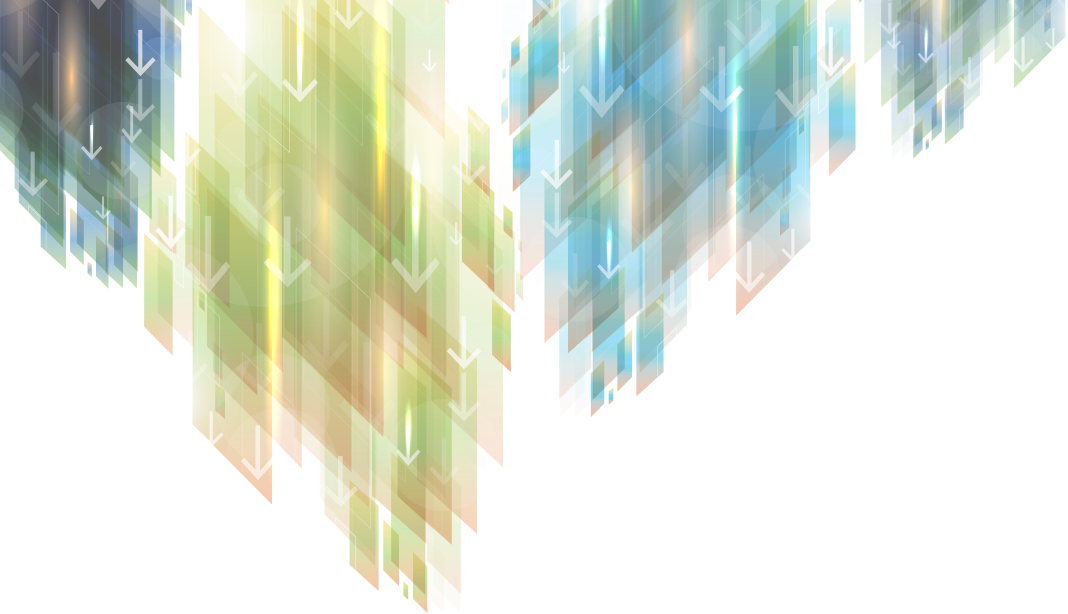


FINANCING SCHEMES

for SMEs
in Malaysia



Secretariat to the National SME Development Council



FINANCING SCHEMES

for **SMES** in Malaysia

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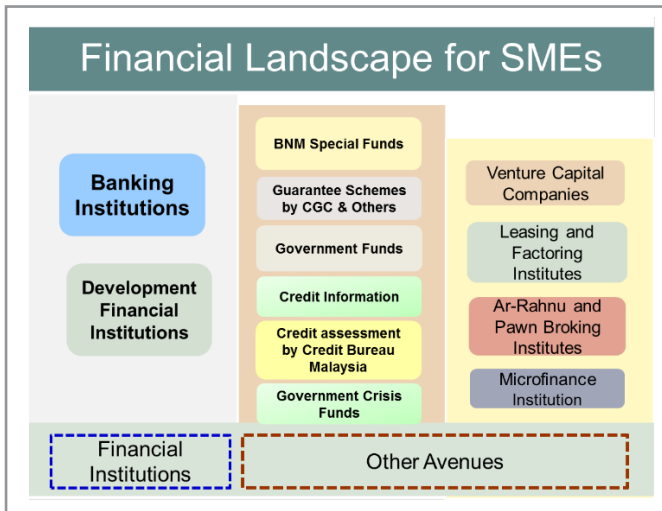
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INTRODUCTION



Financial Landscape for SMEs in Malaysia

The financial landscape for SMEs in Malaysia is very comprehensive, covering financial institutions as the main source of external financing, and other avenues that complement the ecosystem. Currently, financial institutions (FIs) comprising banking institutions (BIs) and development financial institutions (DFIs), account for more than 90% of the total SME financing.



Other forms of financing include non-banking avenues such as guarantee schemes, Government special funds including Bank Negara funds, factoring and leasing facilities, venture capital, Ar-Rahnu and pawn broking facilities, as well as microfinance schemes.

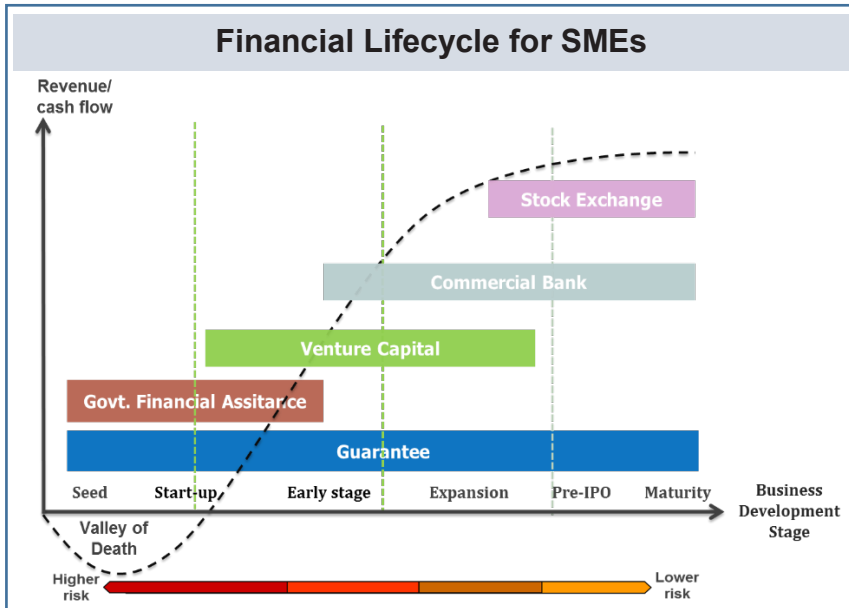
In Malaysia, Government funds are mainly predominant at the initial business phase as the risk profile is perceived to be higher. Matching or partial grants together with capacity building programmes are provided by Government agencies to nurture and develop viable businesses. In addition, Government funds in the form of soft loans are channelled through DFIs and other financial entities to provide early stage financing. DFIs also provide support services such as advisory, consultation and capacity building which differ the institutions from a bank.

As SME businesses develop and expand, they can avail to financing from BIs. BIs are likely to finance SMEs that have track record and collateral. For SMEs which may have a higher risk profile, they may be able to mitigate the risks by using guarantees to have access to bank financing. SMEs with receivables and fixed assets can have options to seek funding from factoring and leasing schemes either from FIs or other institutions. Microenterprises can seek financing from microcredit schemes up to RM100,000.

SMEs can obtain financial advisory and information regarding schemes and programmes through the various channels namely BNM *Laman Informasi Nasihat dan Khidmat (BNMLINK)*, the One Referral Centre (ORC) at SME Corporation Malaysia, Association of Banks Malaysia (ABM), Ministries and agencies and the various FIs. The financial framework is further reinforced by financial advisory and literacy programmes, avenue for redressal and a debt resolution mechanism.

For SMEs which have high growth potential but with high risk, they may wish to seek funding from venture capital (VC) and angel investors. There are currently 119 VC and venture capital management companies in Malaysia. VCs and angel investors would take equity participation in SMEs. This may be in the early stage to expansion stage.

As SME businesses mature and begin to make global presence, options for funding may broaden to also include the capital market (equity and bond markets).



As of end-May 2016, there are 124 schemes available for SMEs in the forms of soft loan, loan, guarantee, equity and grant. These schemes are offered to all sectors throughout the business development stage. Details of the schemes are as follows:

- **Grants** offered by Bank Kerjasama Rakyat Malaysia Berhad (BKR), Cradle Fund Sdn Bhd (CRADLE), Malaysian Technology Development Corporation (MTDC), SME Corporation Malaysia (SME Corp.) and Ministry of Science, Technology and Innovation (MOSTI).
- **Soft loans** are the commonly offered schemes among Government agencies and institutions such as BKR, Amanah Ikhtiar Malaysia (AIM), Bank Negara Malaysia (BNM), Bank Pembangunan Malaysia Berhad (BPMB), Bank Pertanian Malaysia Berhad (Agrobank), Credit Guarantee Corporation (CGC), Export-Import Bank of Malaysia Berhad (EXIM Bank), Majlis Amanah Rakyat (MARA), Malaysia Debt Ventures Berhad (MDV), GreenTech Malaysia, Malaysian Industrial Development

Finance Berhad (MIDF), Malaysian Technology Development Corporation (MTDC), Perbadanan Nasional Berhad (PNS), Perbadanan Usahawan Nasional Berhad (PUNB), Small Medium Enterprise Development Bank Malaysia Berhad (SME Bank), SME Corp. Malaysia, TEKUN Nasional and Sarawak Economic Development Corporation (SEDC).

- Besides soft loans, **loans** are also offered mainly for trade financing by EXIM Bank and microfinancing by Bank Simpanan Nasional (BSN).
- **Guarantee schemes** are offered by CGC, EXIM Bank, MARA and Prokhas Sdn Bhd.
- **Venture capital** and **equity** participation are offered by the Ministry of Finance Malaysia (MOF), Malaysia Venture Capital Management Berhad (MAVCAP) and MTDC. This avenue allows risk capital financing for early-stage and innovative SMEs.

Note: The content in this Booklet is as of May 2016. The interest rates, qualifying criteria and other facts may change thereafter. For more accurate information, reference can be made to the respective websites of financial institutions as well as Ministries and agencies.

Disclaimer: This Booklet supplements but does not replace legal requirements and laws governing business dealings and should be applied in conjunction with the Applicable Laws. This Booklet does not have the force of law and does not serve to represent any Applicable Laws. This Booklet should not be interpreted in any way that would be inconsistent with or would override the Applicable Laws. You should not treat the provisions in this Booklet as legal advice.

While reasonable care and skill was exercised in compiling the content of this Booklet, SME Corp. Malaysia does not assume liability for any loss or damage claims and expenses including but not limited to legal costs, indirect special or consequential loss or damage (including but not limited to, negligence) arising from the information therein.

List of Loan Schemes

1. Ikhtiar Financing Scheme
2. Skim Pembiayaan Ekonomi Desa-i
3. Fund For Food
4. Fund for Small and Medium Industry 2
5. Micro Enterprise Fund
6. New Entrepreneur Fund 2
7. Maritime Development Fund
8. Tourism Infrastructure Development Fund
9. Food Park / Incubator (EPP8)
10. Machinery and Equipment Financing (MAEF-i)
11. Masyarakat Perdagangan & Perindustrian Bumiputera (MPPB-HUB)
12. Modal Usahawan 1Malaysia (MUS1M-i)
13. Paddy-i (Tawarruq)
14. Pembiayaan Tanaman Semula Kelapa
15. Program Agropreneur Muda
16. Program Pembiayaan Dana Teras (Kemudahan Pembiayaan Modal Kerja-i)
17. Program Pembiayaan Dana Teras (Kemudahan Pembiayaan Berjangka-i)
18. Skim Kredit Pengeluaran Makanan-i
19. Skim Pembiayaan Bot Perikanan-i
20. Skim Pertanian Bukan Makanan
21. Skim Perusahaan Kecil Sederhana
22. Term Financing-i
23. Micro Financing Scheme
24. TemanMesra
25. TemaNiaga / TemaNiaga-i Murabahah
26. BizMula-i

27. BizWanita-i
28. Bumiputera Entrepreneur Project Fund-i
29. Special Assistance Scheme
30. Buyer Credit Financing / Buyer Financing-i
31. Export of Services Financing / Export of Services-i
32. Import Financing
33. MalaysiaKitchen Financing Facility / MalaysiaKitchen Financing Facility-i
34. Overseas Investment Financing-i
35. Overseas Project / Contract/ Investment Financing/ Overseas Project / Contract Financing-i
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48. Biotechnology Commercialisation Fund
49. Soft Loan Scheme for Automation and Modernisation
50. Soft Loan Scheme for Bumiputera Automotive Entrepreneurs
51. Soft Loan Scheme for Services Capacity Development
52. Soft Loan Scheme for Services Exports
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56. Business in Transformation (B.I.T) Programme
57. Franchise Executive Scheme
58. Franchisee Financing Scheme
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66. Small & Medium Scale Industry Financing
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70. Contract Financing
71. Financing Program for SME (SME-LEAP)
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74. IBS Promotion Fund
75. Malay Reserve Development Financing Programme
76. My Seed SME Scheme (MYS3)
77. Online Business Financing Scheme
78. Public Transport Development Fund
79. Rolling Expenditure Advance Cash Scheme (i-REACH)
80. Small Business Financing
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82. Supplementary Renewed Facility (i-SURF)
83. Supply Assistance Scheme (i-SPLASH)
84. TERAS Financing Scheme
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86. Business Accelerator Programme
87. Shariah-Compliant SME Financing Scheme
88. SME Emergency Fund
89. Skim Pembangunan Usahawan Masyarakat India (SPUMI)
90. Skim Pembiayaan Teman Tekun
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List of Grant Schemes

1. Modernisation of Automotive Workshop (ATOM)
2. Skim Belia Niaga
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5. Commercialisation of Research & Development Fund
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7. Pre Commercialisation Fund
8. Dana Bantuan Pembangunan Francais

List of Venture Capital

1. Halal Technology Development Fund (Halal Fund)
2. Axiata Digital Innovation Fund
3. ECM Straits Fund
4. GOBI MAVCAP
5. SuperSeed
6. 500 Durians
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List of Guarantee Schemes

1. Credit Enhancer Scheme / Credit Enhancer-i Scheme
2. Direct Access Guarantee Scheme Start Up
3. Enhancer Excel Scheme
4. Enhancer Bumi Scheme / Enhancer Bumi-i
5. Flexi Guarantee Scheme
6. Franchise Financing Scheme
7. ADB-EXIM Trade Finance Program
8. Bank Guarantee / Bank Guarantee-i
9. Letter of Credit / Letter of Credit-i
10. Global Entrepreneurs Financing Scheme MAR-EXIM
11. MARA Entrepreneur Guarantee Scheme (MEGS)
12. MARA Entrepreneur Guarantee Scheme (SJUM)
13. Services Sector Guarantee Scheme
14. Working Capital Guarantee Scheme

LOAN SCHEMES



IKHTIAR FINANCING SCHEME

Amanah Ikhtiar Malaysia (AIM)

<http://www.aim.gov.my>

Objective

To reduce poverty in Malaysia through the provision of interest free microcredit facilities to the poor and low-income households to finance income-generating activities and thus improve their standard of living.

Eligibility

- Malaysians above 18 years old
- Low-income households (below RM3,850 per month)

Target Group

Women

Tenure

- Minimum: 25 weeks
- Maximum: 250 weeks

Interest Rate

10% of annual competitive administration charge

SKIM PEMBIAYAAN EKONOMI DESA-i

Bank Kerjasama Rakyat Malaysia Berhad (BKR)

<http://www.bankrakyat.com.my>

Objective

- To increase the number of rural Bumiputera entrepreneurs in all dynamic and legal economic areas.
- To upgrade the business of rural Bumiputera entrepreneurs to be more dynamic, competitive and resilient.
- To provide funding facilities for rural Bumiputera entrepreneurs in order to improve the rural economy.
- To provide a collateral-free funding scheme at a low instalment rate.
- To encourage the creation of Bumiputera Commercial and Industrial Community (BCIC) among rural residents.

Eligibility

- 100% Bumiputera
- Age below 55 years old
- Full-time entrepreneurs
- Individuals / Business entities (Sole Proprietors / Partnerships / Sdn Bhd)

Target Group

Rural entrepreneurs

Coverage

To finance purchase of machinery & equipment, stocks or working capital and minor renovation of business premise.

Quantum of Financing

- Minimum: RM 20,000
- Maximum:
 - RM 250,000 (operation - 3 years and below)
 - RM 500,000 (operation - above 3 years)

Tenure

Maximum:

- 5 years (operation - 3 years and below)
- 7 years (operation - above 3 years)

Interest Rate

5% per annum (monthly basis)

FUND FOR FOOD

Bank Negara Malaysia (BNM)

<http://www.bnm.gov.my> / Email: bnmtelelink@bnm.gov.my

Objectives

- To increase the food production in the country.
- To finance projects in the food sector at a reasonable cost.

Eligibility

- Malaysian-owned companies (at least 51%) incorporated under the Companies Act 1965, Co-operative Societies Act 1993 and Societies Act 1966.
- Citizens residing in Malaysia and entrepreneurs registered under the Companies Commission of Malaysia or any other registration authorities in Malaysia.
- Investments must be in Malaysia.
- Domestic oriented projects – at least one-half of the total production is sold in the domestic market.
- Viable projects involving primary food production, integrated agriculture and processing and / or distribution of food.

Coverage

To finance working capital and / or expansion in production capacity.

Quantum of Financing

- Minimum: RM10,000 per group of customer.
- Maximum: Not exceeding RM5 million per group of customer or up to 90% of the total project cost, whichever is lower.
- Of the approved amount, only 30% is allowed for land purchase and the land use is only for primary food production activities.

Tenure

Maximum up to 8 years

Financing Rate

Maximum up to 3.75% per annum

Participating Financial Institution

Bank Pertanian Malaysia Berhad (Agrobank)

FUND FOR SMALL AND MEDIUM INDUSTRY 2

Bank Negara Malaysia (BNM)

<http://www.bnm.gov.my> / email: bnmtelelink@bnm.gov.my

Objective

To ensure eligible SMEs in both the export and domestic-oriented sectors have access to financing at reasonable cost.

Eligibility

- SMEs as defined by the National SME Development Council.
- Maximum shareholders' funds not exceeding RM2 million.
- Shareholding by public-listed companies or Government-linked companies (if any) should not exceed 20%.
- Malaysians residing in Malaysia and own minimum 51% shareholding incorporated under the Companies Act 1965, Co-operative Societies Act 1993, Societies Act 1966, registered with the Companies Commission of Malaysia or any other registration authorities in Malaysia.
- Not more than 7 years in operation. However, participating financial institutions may consider cases of SMEs that have been in operation for more than 7 years, provided that the average net profit is marginal over the last 3 years (i.e. less than 5% net profit margin).

Coverage

To finance working capital and / or expansion in production capacity.

Quantum of Financing

- Minimum: RM50,000 per group of customer
- Maximum: Not exceeding RM5 million per group of customer

Tenure

Maximum of 5 years

Interest Rate

4% to 6% per annum

Participating Financial Institutions

- All commercial banks
- All Islamic banks
- 3 development financial institutions namely SME Bank, Agrobank, and Sabah Development Bank Berhad

MICRO ENTERPRISE FUND

Bank Negara Malaysia (BNM)

<http://www.bnm.gov.my> / email: bnmtelelink@bnm.gov.my

Objective

To increase access to micro financing for micro enterprises with viable businesses.

Eligibility

Businesses classified as micro enterprises, as defined by the National SME Development Council.

Coverage

To finance working capital or capital expenditure purposes.

Quantum of Financing

Maximum: RM50,000 per micro enterprise

Tenure

Maximum of 5 years

Interest Rate

6% to 24% per annum

Participating Financial Institutions

- Commercial and Islamic Banks:
 - Alliance Bank Malaysia Berhad
 - AmBank (M) Berhad
 - Bank Muamalat Malaysia Berhad
 - CIMB Bank Berhad
 - Malayan Banking Berhad
 - Public Bank Berhad
 - United Overseas Bank (Malaysia) Berhad
- Development Financial Institutions:
 - Bank Kerjasama Rakyat Malaysia Berhad
 - Bank Pertanian Malaysia Berhad (Agrobank)
 - Bank Simpanan Nasional

NEW ENTREPRENEUR FUND 2

Bank Negara Malaysia (BNM)

<http://www.bnm.gov.my> / Email: bnmtelelink@bnm.gov.my

Objective

To promote the growth of small and medium-sized Bumiputera enterprises by ensuring that they have access to financing at reasonable cost.

Eligibility

- SMEs as defined by the National SME Development Council.
- Maximum shareholders' funds not exceeding RM2 million.
- Shareholding by public-listed companies or Government-linked companies (if any) should not exceed 20%.
- Wholly-owned Bumiputera companies residing in Malaysia incorporated under the Companies Act 1965, Co-operative Societies Act 1993, Societies Act 1966, registered with the Companies Commission of Malaysia or any other registration authorities in Malaysia.
- Not more than 7 years in operation. However, participating financial institutions may consider cases of SMEs that have been in operation for more than 7 years, provided that the average net profit is marginal over the last 3 years (i.e. less than 5% net profit margin).

Coverage

To finance working capital and / or expansion in production capacity.

Quantum of Financing

Maximum: Not exceeding RM5 million per group of customer

Tenure

Maximum of 5 years

Interest Rate

4% to 6% per annum

Participating Financial Institutions

- All commercial banks
- All Islamic banks
- Small Medium Enterprise Development Bank Malaysia Berhad (SME Bank)

MARITIME DEVELOPMENT FUND

Bank Pembangunan Malaysia Berhad (BPMB)

<http://www.bpmb.com.my>

Objective

To provide financing to encourage the development of the shipping industry, shipyard construction, oil and gas as well as maritime-related support activities.

Coverage

Acquisition of fixed assets and working capital.

Quantum of Financing

- Minimum:
 - Acquisition of fixed assets: RM2 million
 - Working capital: RM1 million
- Maximum: RM500 million (single customer limit)

Tenure

Maximum up to 20 years

Interest Rate

4% to 6% per annum

TOURISM INFRASTRUCTURE DEVELOPMENT FUND

Bank Pembangunan Malaysia Berhad (BPMB)

<http://www.bpmb.com.my>

Objective

To assist tourism entrepreneurs who wish to develop or expand projects that contribute to the development of the tourism industry.

Eligibility

- Applicants must be registered under the Companies Act 1965, Companies Commission of Malaysia Act 2001 or / and Companies Co-operative Act 1970 or Co-operative Societies Act 1993.
- Applicants must be majority-owned by Malaysians (at least 51%).
- Existing and new enterprises carrying out or planning to carry out tourism infrastructure projects are eligible.
- Applicants must have a minimum paid-up capital of RM5 million or minimum of 20% from the total loan applied whichever is higher.

Coverage

- To finance the incremental cost of new or existing projects excluding working capital.
- For acquisition of land, a maximum amount of 40% of the land cost or project cost whichever is lower is allowed.

Quantum / Margin of Financing

RM5 million to RM100 million or up to a maximum of 80% of total project cost.

Tenure

Maximum financing up to 20 years

Interest Rate

4% to 6% per annum

FOOD PARK/ INCUBATOR (EPP8)

Bank Pertanian Malaysia Berhad (Agrobank)
<http://www.agrobank.com.my>

Objective

Provides capital assistance to the anchor company / participating company to join the Integrated Food Park Programme under the Entry Point Project 8 (EPP8), National Key Result Area (Agriculture).

Eligibility

- Malaysian-owned companies with at least 51% local equity.
- Established under the Companies Act 1965.
- Companies appointed as participants under EPP 8 with letter of appointment from the Ministry of Agriculture & Agro-based Industry.
- Companies that comply with the criteria of Shariah-compliant.

Coverage

- Capital and operation expenditure.
- All projects based on agriculture and agro-based industries in the field of plantation, animal husbandry and fishery. Funding covers production, processing, marketing and services activities.

Quantum / Margin of Financing

- Minimum: RM500,000
- Maximum: Up to 100% of the project cost or RM10 million, whichever is lower

Tenure

Maximum financing period is capped at 10 years (inclusive of grace period)

Interest Rate

3.75% per annum

MACHINERY AND EQUIPMENT FINANCING (MAEF-i)

Bank Pertanian Malaysia Berhad (Agrobank)
<http://www.agrobank.com.my>

Objective

To provide financing for the purchase of machinery or equipment that are used directly or indirectly for the production, processing, and marketing of agro-based products.

Target Group

- Machinery and equipment operators
- Entrepreneurs in the production, processing or marketing sectors of agriculture
- Land owners
- Farmers

Margin of Financing

Up to 90% of machinery or equipment cost

Tenure

Up to 7 years

Interest Rate

BFR + 1.0% to BFR+4.0% per annum at monthly rest

MASYARAKAT PERDAGANGAN & PERINDUSTRIAN BUMIPUTERA (MPPB-HUB)

Bank Pertanian Malaysia Berhad (Agrobank)
<http://www.agrobank.com.my>

Objectives

- To expand the business, as well as opportunities for Bumiputera entrepreneurs.
- Provide business capital to Bumiputera entrepreneurs in micro, small and medium businesses.
- Capital for competition at the local and global levels based on Islamic financing principles.

Eligibility

Open to entrepreneurs / existing Bumiputera companies in need of capital for business expansion.

Coverage

Business purposes i.e. term financing.

Quantum of Financing

Up to RM200,000

Tenure

Maximum up to 10 years

Interest Rate

3.75% per annum

MODAL USAHAWANAN 1MALAYSIA (MUS1M-i)

Bank Pertanian Malaysia Berhad (Agrobank)

<http://www.agrobank.com.my>

Objective

Provision of credit facilities to micro entrepreneurs for them to undertake economic activities involving agriculture and agro-based activities covering all stages of production, processing, services, marketing and consumer needs.

Eligibility

- Malaysian citizen aged 21-60 years on the date of application.
- Full-time / part-time micro entrepreneur.
- Have been running the project / business for more than 1 year.
- Possess the necessary approvals such as license / permit / lease agreement of land etc.
- Kafil / guarantor to guarantee the financing (no collateral required).

Quantum of Financing

Maximum RM50,000. Financing limit is up to 100% of the total cost and subject to credit evaluation.

Tenure

Up to 60 months

Interest Rate

15% per annum on a monthly rest

PADDY-i (TAWARRUQ)

Bank Pertanian Malaysia Berhad (Agrobank)
<http://www.agrobank.com.my>

Objective

To finance working capital for rice planting activities in a paddy field which is certified by related Government agencies. The product is based on the Tawarruq concept.

Eligibility

- Malaysian
- Farmers registered with BERNAS (Padiberas Nasional Berhad) or related agencies certified by the Government.
- Age 18 and above until the age of 70 years at the expiry of the financing period.
- There are no legal obstacles.

Quantum of Financing

RM1,000 to RM50,000

Tenure

6 months to 5 years

Interest Rate

3.25% fixed rate per season

PEMBIAYAAN TANAMAN SEMULA KELAPA

Bank Pertanian Malaysia Berhad (Agrobank)
<http://www.agrobank.com.my>

Objective

To provide financing for replanting and expansion of existing plantation.

Eligibility

- Individual smallholders (minimum 0.28 hectare and maximum 40.5 hectare).
- Oil Palm Organisation or Government agencies managing smallholdings.
- Companies with paid up capital of less than RM2.5 million.

Target Group

Independent smallholders who are involved in small scale oil palm plantation.

Quantum of Financing

- RM10,000 per hectare
- Financing components include working capital relating to oil palm planting

Tenure

Up to 15 years

Interest Rate

BFR + 2.0% at monthly rest

PROGRAM AGROPRENEUR MUDA

Bank Pertanian Malaysia Berhad (Agrobank)
<http://www.agrobank.com.my>

Objective

To provide specific financing for young entrepreneurs in the agriculture sector in order to produce progressive, competitive, creative, and innovative and high-income young agropreneurs.

Eligibility

- Applicants must be Malaysian.
- Age between 18 to 40 years old at the point of application.
- Must be registered with Unit Agropreneur Muda (UAM), Ministry of Agriculture and Agro-based Industry.

Quantum / Margin of Financing

- Maximum of RM50,000.
- Maximum 70% from project cost which consists of fixed and operational capital (for new projects) or from the cost of project expansion (for existing projects).

Tenure

Maximum up to 7 years

Interest Rate

5.50% per annum

PROGRAM PEMBIAYAAN DANA TERAS (KEMUDAHAN PEMBIAYAAN MODAL KERJA-i)

Bank Pertanian Malaysia Berhad (Agrobank)
<http://www.agrobank.com.my>

Objective

To provide short-term revolving credit facility that provides financing for working capital through purchase financing, sale financing and cash financing.

Eligibility

- Companies appointed as 'TERAS Company' by TERAJU.
- Companies identified by Agrobank.

Coverage

Business purposes i.e. for operation expenditure or capital expenditure.

Quantum of Financing

Maximum of RM5 million

Tenure

Up to 10 years

Interest Rate

BFR + 0% per annum at monthly rest

PROGRAM PEMBIAYAAN DANA TERAS KEMUDAHAN PEMBIAYAAN BERJANGKA-I

Bank Pertanian Malaysia Berhad (Agrobank)
<http://www.agrobank.com.my>

Objective

To provide short-term revolving credit facility that provides financing for working capital through purchase financing, sale financing and cash financing.

Eligibility

- Companies appointed as 'TERAS Company' by TERAJU.
- Companies identified by Agrobank.

Coverage

Business purposes i.e. for operation expenditure or capital expenditure

Quantum of Financing

Maximum of RM5 million

Tenure

Up to 10 years

Interest Rate

BFR+ 0.5 % per annum at monthly rest

SKIM KREDIT PENGELUARAN MAKANAN-I

Bank Pertanian Malaysia Berhad (Agrobank)
<http://www.agrobank.com.my>

Objective

To provide financing for SMEs involved in the production of food activities managed by the Ministry of Agriculture and Agro-based Industry, the State Government or any other Government agencies.

Quantum of Financing

Maximum of RM500,000

Tenure

Up to 8 years

Interest Rate

3.75% per annum

SKIM PEMBIAYAAN BOT PERIKANAN-i

Bank Pertanian Malaysia Berhad (Agrobank)
<http://www.agrobank.com.my>

Objective

To modernise the fishing industry through acquisition of boats, and bigger and modern fishing equipment based on the Tawarruq concept.

Eligibility

Individual / group / sole proprietorship / partnership / Malaysian-owned company (minimum 51% shareholding) incorporated under the Companies Act 1965 / other institutions incorporated.

Quantum of Financing

RM40,000 to RM10 million

Tenure

Up to 10 years

Interest Rate

3.75% to 5% per annum

SKIM PERTANIAN BUKAN MAKANAN

Bank Pertanian Malaysia Berhad (Agrobank)
<http://www.agrobank.com.my>

Objective

To enhance non-food upstream agricultural and production activities based on the Tawarruq concept.

Eligibility

- Individual / group / sole proprietorship / partnership
- Companies must be majority-owned by Malaysian (at least 51%)

Quantum of Financing

RM10,000 to RM5 million

Tenure

Up to 10 years

Interest Rate

3.75% per annum

SKIM PERUSAHAAN KECIL SEDERHANA

Bank Pertanian Malaysia Berhad (Agrobank)
<http://www.agrobank.com.my>

Objective

To enhance the contribution of agro-based industries and to stimulate investment in the agricultural sector.

Eligibility

- Sole-proprietor, partnership and Sdn Bhd
- Business has been in operation for at least 3 years
- Application should be made through any Agrobank branch and SME Hub

Coverage

- Projects for downstream processing activities, namely agriculture, manufacturing, canning and packaging.
- Finance the activities of agricultural related services which include marketing, distribution and transportation of agricultural products.

Quantum of Financing

- Minimum amount: RM10,000
- Maximum amount: RM5 million

Tenure

- Term Financing: Maximum of 120 months (10 years)
- Working Capital Financing: Subject to annual review

Interest Rate

3.75% per annum

TERM FINANCING-I

Bank Pertanian Malaysia Berhad (Agrobank)
<http://www.agrobank.com.my>

Objective

To finance operators carrying out agricultural projects such as processing, marketing and services in agriculture, livestock and fisheries.

Eligibility

Individual / group / sole proprietorship / partnership / Malaysian-owned company (with minimum 50% shareholding)

Coverage

- To purchase assets, goods, or services
- To redeem the assets
- To obtain working capital

Quantum of Financing

Minimum: RM10,000

Tenure

Up to 10 years

Interest Rate

BFR + 0% to BFR + 4%

MICRO FINANCING SCHEME (PENDUDUK KAMPUNG BARU CINA)

Bank Simpanan Nasional (BSN)
<http://www.mybsn.com.my>

Objective

Specially developed for permanent residents of Kampung Baru Cina to help business owners through provision of loan at a low rate.

Eligibility

- Malaysian citizen aged 21-65 years old.
- Full-time or part-time business enterprises.
- Permanent resident of Kampung Baru Cina confirmed by JKKK / JKKKP / Head of Village / Village Security Officer (*Pegawai Keselamatan Perkampungan*) or Government Officer in Group A (Management and Professional) / "Wakil Rakyat" / Village Headman (*Penghulu*).
- Must pass the following credit checks:
 - BSN Data
 - CCRIS
 - BRIS
 - Bankruptcy

Target Sectors

- Retail and wholesale
- Manufacturing
- Services
- Other sectors and sub-sectors approved by the Management of BSN on a case-by-case basis

Quantum of Financing

RM5,000 to RM50,000

Tenure

6 months to 5 years

Interest Rate

4% per annum

TemanMesra

Bank Simpanan Nasional (BSN)

<http://www.mybsn.com.my>

Objective

Micro loan product where the objective is to help micro entrepreneurs and self-employed individuals to expand their business.

Eligibility

- Malaysian citizen aged 21-60 years old.
- Owns a valid business registration and / or business license.
- Business / company must be in operation for at least 2 years on full-time basis.
- Without guarantor or with guarantor earning RM2,000 per month.
- Guarantors comprise business partners / shareholders / directors (if applicable).

Target Sectors

- Manufacturing
- Services
- Retail / Wholesale Retail / Wholesale

Quantum of Financing

RM5,000 to RM50,000

Tenure

1 to 5 years

Interest Rate

Interest / profit rate offered from 6.38%

TemaNiaga / TemaNiaga-i MURABAHAH

Bank Simpanan Nasional (BSN)

<http://www.mybsn.com.my>

Objective

Micro loan product where the objective is to help micro entrepreneurs and self-employed individuals to grow business.

Eligibility

- Malaysian citizen aged 21-60 years old.
- Owns a valid business registration and / or business license.
- Business / company must be in operation for at least 2 years on full-time basis.
- Without guarantor or with guarantor earning RM2,000 per month.
- Guarantors comprise business partners / shareholders / directors (if applicable).

Target Sectors

- Manufacturing
- Services
- Retail / Wholesale Retail / Wholesale

Quantum of Financing

RM5,000 to RM50,000

Tenure

1 to 5 years

Interest Rate

Interest / profit rate offered from 6.38%

BizMula-i

Credit Guarantee Corporation (CGC)
<https://www.cgc.com.my>

Eligibility

- Aged 21 – 58 (at the point of application)
- Must be an SME as defined by the National SME Development Council.
- Business registered in Malaysia and is Malaysian-controlled or Malaysian-owned (at least 51% shareholding).
- Business is at least licensed by a local authority.
- Business has been licensed and / or in operation for less than 3 years.

Quantum of Financing

- Minimum: RM50,000
- Maximum: RM300,000

Tenure

Up to 7 years

Interest Rate

- Minimum: BFR + 0.30%
 - Maximum: BFR + 1.65%
- Note: Prevailing BFR is based on Maybank Islamic BFR and is subject to further changes

BizWanita-i

Credit Guarantee Corporation (CGC)
<https://www.cgc.com.my>

Eligibility

- Aged 21 – 60 (upon full settlement of instalment)
- Business meets either one of the “women” definition stipulated in the official CGC website.
- Must be an SME as defined by the National SME Development Council.
- Business registered in Malaysia and is Malaysian-controlled and Malaysian-owned (at least 51% shareholding).
- Business is at least licensed by a local authority.
- Business has been licensed and / or in operation for any number of years (not confined to any minimum nor maximum number of years).

Quantum of Financing

- Minimum: RM20,000
- Maximum: RM300,000

Tenure

Up to 7 years

Interest Rate

- Minimum: BFR + 0.20%
- Maximum: BFR + 1.65%

Note: Prevailing BFR is based on Maybank Islamic BFR and is subject to further changes

BUMIPUTERA ENTREPRENEUR PROJECT FUND-I

Credit Guarantee Corporation (CGC)

<https://www.cgc.com.my>

Objective

To provide financing to Bumiputera entrepreneurs who have been awarded contracts / projects by the Government, Government-related agencies, statutory bodies and reputable private / public companies but have been unsuccessful to obtain financing from financial institutions.

Eligibility

- Applicant must be a Bumiputera entrepreneur or a Bumiputera enterprise, which is wholly (100%) owned by Bumiputera.
- Applicant must have a project / contract secured from the Government, Government bodies and agencies, statutory bodies and Government-owned companies.
- Applicant is encouraged to be a member of any one of the following:
 - Dewan Perniagaan Melayu Malaysia (DPMM)
 - Persatuan Pedagang dan Pengusaha Melayu Malaysia (PERDASAMA)
 - Persatuan Usahawan Wanita Bumiputera Melayu (USAHANITA)
 - Dewan Usahawan Muda Bumiputera
 - Other bodies acknowledged by CGC
- For contractors, they must be registered with the Construction Industry Development Board (CIDB) and not blacklisted by CIDB while applicants from other sectors must at least register with Treasury or other bodies such as Tenaga Nasional, Telekom, Petronas, etc.
- There must be no credit facilities granted by other FIs to finance the particular project / contract.

Coverage

To finance working capital and / or expansion in productive capacity

Quantum of Financing

- First time application: Up to RM3 million
- Subsequent applications: Up to RM5 million

Tenure

Maximum of 5 years

Financing Rate

- First time financing: 5.0% per annum
- Subsequent financing: BFR Maybank Islamic + 1.0% per annum

SPECIAL ASSISTANCE SCHEME

Credit Guarantee Corporation (CGC)

<https://www.cgc.com.my>

Eligibility

- Must be an SME as defined by the National SME Development Council.
- Business registered in Malaysia and is Malaysian-controlled and Malaysian-owned (at least 51% shareholding).
- Open to CGC's existing customers under Full Risk Scheme and Direct Financing.
- Existing borrowers of CGC (Full Risk Scheme and Direct Financing) located in towns or districts defined as a disaster area by the National Security Council, Prime Minister's Department or deemed as a disaster area by CGC.

Coverage

Working capital and / or asset acquisition:

- Repairs and purchases of assets for commercial use to replace those damaged during disaster and working capital only.
- The facility should not be used to refinance existing credit facility.

Quantum of Financing

- Minimum: RM20,000
- Maximum: RM200,000

Tenure

Maximum up to 5 years, including moratorium period during the first 6 months, with profit servicing only

Interest Rate

5.80% per annum

BUYER CREDIT FINANCING

Export-Import Bank of Malaysia Berhad (EXIM Bank)

<http://www.exim.com.my>

Objective

To finance overseas buyers to purchase Malaysian products and services, including construction and contracts. The financing enables Malaysians to provide a total product package that includes financing to its overseas buyers.

Eligibility

- The supplier / contractor must be a Malaysian-owned and controlled company.
- Products exported from Malaysia must be of Malaysian origin.

Margin of Financing

Up to maximum of 85% of the project cost or contract value

Tenure

- Private foreign company: Up to a maximum of 10 years
- Foreign government: Up to a maximum of 15 years

Interest Rate

Cost of fund plus spread.

Security

A combination of but not limited to the following:

- Bank Guarantee
- Cash Collateral
- Corporate Guarantee
- Shareholders and / or Directors Guarantee
- Landed Property
- Charge on fixed or floating assets of the customer
- Assignment of Takaful / Insurance policies and contract proceeds

BUYER FINANCING-i

Export-Import Bank of Malaysia Berhad (EXIM Bank)

<http://www.exim.com.my>

Objective

To finance the purchase of Malaysian products and services including construction and contracts. The financing enables Malaysian companies to provide a total product package that includes financing to their overseas buyers.

Shariah Contracts

The Shariah contracts applicable to Buyer Financing-i are:

- Ijarah
- Istisna'
- Murabahah
- Tawarruq

Eligibility

Foreign commercial buyers or sovereign buyers. The conditions are:

- The supplier / contractor must be a Malaysian-owned and controlled company.
- Products must be of Malaysian origin.

Margin of Financing

Up to a maximum of 85% of project cost or contract value

Tenure

Up to maximum of 10 years inclusive of grace period not exceeding 2 years

Profit Rate

Cost of fund-i plus spread

Security

Against but not limited to the following:

- Cash collateral
- Corporate guarantee
- Shareholders and / or Directors guarantee
- Landed property
- Charge on fixed or floating assets of customer
- Assignment of Takaful / insurance policies, agreements, contract proceeds, right and benefits

EXPORT OF SERVICES FINANCING

Export-Import Bank of Malaysia Berhad (EXIM Bank)

<http://www.exim.com.my>

Objective

- Provision of working capital / guarantee / assets financing of foreign services contracts.
- Acquisition of technology for services for the global market.

Eligibility

The service provider / contractor must be a Malaysian-owned company.

Margin of Financing

Up to a maximum of 70% of the contract value

Tenure

Up to a maximum of 5 years

Interest Rate

Cost of fund plus spread

Security

Any but not limited to the following:

- Cash collateral
- Corporate Guarantee
- Shareholders and / or Directors Guarantee
- Assignment of relevant contracts, agreement and insurance policies
- Others as required

EXPORT OF SERVICES-i

Export-Import Bank of Malaysia Berhad (EXIM Bank)

<http://www.exim.com.my>

Objective

- Provision of working capital / guarantee / assets financing of foreign services contracts.
- Acquisition of technology for services for the global market.

Shariah Contracts

The Shariah contracts applicable to Export of Services-i are:

- Tawarruq
- Murabahah
- Kafalah

Eligibility

- Malaysian exporters registered under the Companies Act 1965.
- Non-resident Control Company is also included.

Margin of Financing

Up to 80% of the contract value / purchase price or the requirement value for the contract / services

Tenure

Up to a maximum 5 years

Profit Rate

Cost of fund-i plus spread

Security

Against but not limited to the following:

- Cash Collateral
- Corporate Guarantee
- Shareholders and / or Directors Guarantee
- Assignment of relevant contracts and Takaful / insurance policies
- Others

IMPORT FINANCING

Export-Import Bank of Malaysia Berhad (EXIM Bank)

<http://www.exim.com.my>

Objective

To finance the import of strategic goods or services that are not available domestically, but are beneficial to the country's competitiveness.

Eligibility

- Malaysian-owned or controlled company incorporated in Malaysia.
- A joint venture between a Malaysian and foreign company with Malaysian owning not less than 51% of the shareholding.

Margin of Financing

Up to 90% of import order value

Tenure

Subject to yearly review. The facility may be revolving or term of up to 10 years.

Interest Rate

Cost of fund plus spread

Security

Any but not limited to the following:

- Corporate Guarantee
- Shareholders and / or Directors Guarantee
- Landed Property
- Charge on fixed or floating assets of the customer
- Assignment of Takaful / Insurance policies and contract proceeds

MALAYSIAKITCHEN FINANCING FACILITY

Export-Import Bank of Malaysia Berhad (EXIM Bank)

<http://www.exim.com.my>

Objective

To finance the setting up or expansion of Malaysian restaurant overseas.

Eligibility

- Malaysian-owned and / or controlled companies with minimum shareholding of 51% and incorporated in Malaysia.
- Related working experience of either 1 year in managing overseas restaurant or 3 years in managing a local restaurant. However, if the applicant applies through a Malaysian-owned franchise, the requirement is waived.

Margin of Financing

Up to 90% of project cost, inclusive of 3 months working capital

Tenure

Up to 5 years from the date of first disbursement which consist of:

- 3 months payment holiday
- Followed by 6 months of profit servicing

Interest Rate

At 3.0% per annum on monthly rest

Security

A combination of but not limited to the following:

- Corporate Guarantee
- Shareholder and / or Directors Guarantee
- Landed Property
- Assignment of Takaful / Insurance policies

MALAYSIAKITCHEN FINANCING FACILITY-i

Export-Import Bank of Malaysia Berhad (EXIM Bank)

<http://www.exim.com.my>

Objective

To finance the setting up or expansion of Malaysian restaurant overseas.

Shariah Contracts

The Shariah contracts applicable to Malaysia Kitchen Financing Facility-i are:

- Ijarah
- Istisna'
- Murabahah
- Tawarruq

Eligibility

- Malaysian-owned and / or controlled companies with minimum shareholding of 51% and incorporated in Malaysia.
- Related working experience of either 1 year in managing overseas restaurant or 3 years in managing a local restaurant.
- Open to Malaysian-owned franchise.

Margin of Financing

Up to 90% of project cost, inclusive of 3 months working capital.

Tenure

- Up to 5 years from date of first disbursement, inclusive of grace period.
- Grace period is up to 9 months from date of first disbursement which consists of 3 months payment holiday and followed by 6 months of profit servicing.

Profit Rate

At 3.0% per annum based on the monthly rest

Security

Against but not limited to the following:

- Corporate Guarantee
- Shareholders and / or Director Guarantee
- Landed Property
- Assignment of Takaful / Insurance policies

OVERSEAS INVESTMENT FINANCING-i

Export-Import Bank of Malaysia Berhad (EXIM Bank)

<http://www.exim.com.my>

Objective

The purpose of the facility is to finance Malaysian investors to undertake cross border investments by way of purchasing overseas assets (fixed and current assets such as building, factory, business premises, plant and machineries, raw material) or purchase of equity in overseas establishments.

Shariah Contracts

The Shariah contracts applicable to Overseas Investment Financing-i are:

- Ijarah
- Murabahah
- Tawarruq

Eligibility

Malaysian companies registered under the Companies Act 1965.

Margin of Financing

Margin of financing is up to 80% of the investment / assets value.

Tenure

Up to a maximum of 10 years inclusive of grace period not exceeding 1 year depending on the cash flow of the project / investment.

Profit Rate

The profit rate based on cost of fund-i plus spread

Security

Against but not limited to the following:

- Marginal Deposit / Sinking Fund Account
- Corporate Guarantor
- Shareholders / Director Guarantee
- First charge on fixed and floating asset of customer
- Charge on Landed Property
- Assignment of contract / payment proceeds / insurance proceeds / project right and benefits
- Assignment of Designated Accounts
- Pledge of shares or General Investment Account

OVERSEAS PROJECT / CONTRACT / INVESTMENT FINANCING

Export-Import Bank of Malaysia Berhad (EXIM Bank)
<http://www.exim.com.my>

1. Project Financing

Objective

To finance the development, upgrading or expansion of infrastructural facilities, plant and building, and fixed assets purchases such as machinery and equipment.

Eligibility

For Malaysian suppliers / contractors / investors

Margin of Financing

Up to maximum of 85% of project cost or contract value

Tenure

Up to a maximum of 10 years inclusive of grace period not exceeding 2 years

Interest Rate

Cost of fund plus spread

Security

Any but not limited to the following:

- Cash collateral
- Corporate guarantee
- Shareholders and / or directors guarantee
- Landed property
- First charge on fixed and floating assets of the borrower
- Assignment of relevant contracts, agreements, insurance policies inclusive of all project rights and benefits

2. Contract Financing

Objective

To finance working capital and bonds requirements for undertaking of overseas contracts.

Eligibility

For Malaysian suppliers / contractors / investors

Margin of Financing

Up to maximum of 85% of project cost or contract value

Tenure

As per contract requirement subject to maximum of 10 years

Interest Rate

Cost of fund plus spread

Security

Any but not limited to the following:

- Cash collateral
- Corporate guarantee
- Shareholders and / or directors guarantee
- Sinking Fund
- Cash margin against bond issuances
- Assignment of contract proceeds
- Others

3. Investment Financing

Purpose

To finance Malaysian investors to undertake cross border investments by way of purchasing overseas assets (fixed and current assets such as building, factory, building premises, plant and machinery, raw materials).

Eligibility

For Malaysian suppliers / contractors / investors

Margin of Financing

Up to maximum of 80% of the investment / assets value inclusive of working capital (where applicable).

Tenure

Up to a maximum of 10 years including grace period not exceeding 1 year depending on the cash flow of the investment

Interest Rate

Cost of fund plus spread

Security

Any but not limited to the following:

- Cash collateral
- Shares (memorandum of deposit of shares)
- Sinking fund
- Guarantee (individual / shareholder / directors)
- Assignment of insurance proceed
- Assignment of relevant contracts / agreements inclusive of all projects rights and benefits
- Corporate Guarantee
- Debenture
- First fixed charge or its equivalent over the project land financed by EXIM bank
- Other securities acceptable by the Bank
- The valuation of the collateral shall be guided by Guideline on Valuation of Collateral issued by the Risk Management Division

OVERSEAS PROJECT / CONTRACT / FINANCING-i

Export-Import Bank of Malaysia Berhad (EXIM Bank)

<http://www.exim.com.my>

1. Overseas Project Financing-i

Objective

To finance the development, upgrading or expansion of infrastructural facilities, plant and building and fixed asset purchases, such as machinery and equipment.

Shariah Contracts

The Shariah contracts applicable to Overseas Project / Contract Financing-i are:

- Ijarah
- Istisna'
- Murabahah
- Tawarruq

Eligibility

Malaysian suppliers / contractors

Margin of Financing

Up to a maximum of 85% of project cost or contract value

Tenure

Maximum of 10 years inclusive of grace period not exceeding 2 years

Profit Rate

Cost of fund-i plus spread

Security

Against but not limited to the following:

- Marginal Deposit / Sinking Fund Account
- Corporate Guarantor
- Shareholders / Director Guarantee
- First charge on fixed and floating asset of customer
- Charge on Landed Property
- Assignment of contract / payment proceeds / insurance proceeds/ project right and benefits
- Assignment of Designated Accounts
- Pledge of shares or General Investment Account

2. Overseas Contract Financing-i

Purpose

To finance working capital and bonds' requirements for undertaking of overseas contracts.

Shariah Contracts

The Shariah contracts applicable to Overseas Project / Contract Financing-i are:

- Ijarah
- Istisna'
- Murabahah
- Tawarruq

Eligibility

Malaysian suppliers / contractors

Margin of Financing

Up to a maximum of 85% of project cost or contract value

Tenure

Up to a maximum of 10 years inclusive of grace period not exceeding 2 years

Profit Rate

Cost of fund-i plus spread

Security

Against but not limited to the following:

- Marginal Deposit / Sinking Fund Account
- Corporate Guarantor
- Shareholders / Director Guarantee
- First charge on fixed and floating asset of customer
- Charge on Landed Property
- Assignment of contract / payment proceeds / insurance proceeds/ project right and benefits
- Assignment of Designated Accounts
- Pledge of shares or General Investment Account

TERM FINANCING-I

Export-Import Bank of Malaysia Berhad (EXIM Bank)
<http://www.exim.com.my>

Objective

A financing facility available for working capital financing, financing overheads or non-asset based transactions in support of exports, projects or contract requirements and activities. It may also serve as a tool for refinancing of asset.

Shariah Contracts

The Shariah contracts applicable to Term Financing-i are:

- Ijarah
- Murabahah
- Tawarruq

Eligibility

- Malaysian exporters registered under the Companies Act 1965.
- Non-resident Control Company is also included.

Margin of Financing

- Up to 100%: For a restructuring facility
- Up to 90% of project cost: For other purposes (direct financing)

Tenure

Up to 15 years

Profit Rate

Cost of fund-i plus spread

Security

Against but not limited to the following:

- Pledged against cash collateral
- Sinking fund
- Landed Property
- Debenture fixed or floating
- Assignment of Takaful cover
- Assignment of payment proceeds
- Assignment of Sales proceed
- Other security the Bank deem necessary

EXPORT CREDIT REFINANCING

Export-Import Bank of Malaysia Berhad (EXIM Bank)

<http://www.exim.com.my>

1. Pre-shipment ECR

Objective

Order-Based & Certificate of Performance (CP): The pre-shipment Export Credit Refinancing (ECR) facilitates the production of eligible goods for export prior to shipment and to encourage the backward linkages between the exporters and local suppliers in industrial development.

Eligibility

Order-Based & Certificate of Performance (CP): Malaysian manufacturing company and / or trading company indulge in exports.

Margin of Financing

- Order-Based: Up to 95% of the value of the export order
- Certificate of Performance (CP): 95% of ECR Documentary Letter of Credit (DLC), ECR Documentary Purchase Order (DPO) or Local Purchase Order (LPO)
- Direct Exporter: 100% of export value of proceeding 12 months
- Indirect Exporter: 80% of local sales (Subject to ECR credit limit with the commercial bank and EXIM Bank's administrative limits)

Tenure

- Order-Based: Up to a maximum of 120 days
- Certificate of Performance (CP): 120 days cycle

Interest Rate

Order-Based & Certificate of Performance (CP): Rate to be determined by EXIM Bank from time to time

2. Post-shipment ECR

Objective

The post-shipment ECR bridges the funding requirement of exporter from shipment to receipt of payment of the export.

Eligibility

Malaysian manufacturing company and / or trading company indulge in exports.

Margin of Financing

Up to a maximum 100% of export value

Tenure

Up to a maximum of 183 days

Interest Rate

Rate to be determined by EXIM Bank from time to time

EXPORT CREDIT REFINANCING-i

Export-Import Bank of Malaysia Berhad (EXIM Bank)

<http://www.exim.com.my>

Objectives

Export Credit Refinancing-i (ECR-i) provides an alternative short-term pre- and post-shipment financing to direct / indirect exporters to promote exports of manufactured products, agriculture products and primary commodities that are 'Halal', via the provision of Shariah compliant financing facilities.

- The pre-shipment ECR-i facility facilitates the production of eligible goods for export prior to shipment and to encourage the backward linkages between the exporters and local suppliers in industrial development.
- The post-shipment ECR-i facility bridges the funding requirement of exporter from shipment to receipt of payment of the export bill.

Shariah Contracts

- Pre-shipment ECR-i: The applicable concept for financing of the purchase of raw materials and other incidental costs between the Malaysian exporter and ECR-i Banks, shall be 'Murabahah' (cost plus profit) followed by the 'Tawarruq' between EXIM Bank and ECR-i Banks for refinancing of bills.
- Post-shipment ECR-i: These transactions are made between the exporter, ECR-i Banks and EXIM Bank and the applicable concept shall be 'Tawarruq'. Under this arrangement, the exporter, appoints the ECR-i Bank as collecting agent to collect payment from the importer's Bank.

Eligibility

Companies that are incorporated in Malaysia which are directly or indirectly involved in exports and international trade activities shall be eligible for the ECR-i facilities but subject to the following conditions:

- The inputs and the end products to be exported must be "Halal".
- Products which are not listed under the First Schedule of Custom Duties Order (list of goods of which is prohibited to be exported).

Margin of Financing

- Pre-Shipment:
 - Direct Exporter: Up to 95% on value of export order
 - Indirect Exporter: 95% of ECR-i Documentary Letter of Credit (DLC), ECR-i Documentary Purchase Order (DPO) or Local Purchase Order (LPO)
 - Certificate of Performance: Direct Exporter
 - Manufacturing: Up to 80% of export value of preceding 12 months
 - Trading: Up to 90% of export value of preceding 12 months
- Post-Shipment
 - Margin of financing is up to a maximum of 100% of the export bill value. Subject to availability of ECR credit limit with the commercial bank and EXIM Bank's administrative limit.

Tenure

- Pre-Shipment: Up to a maximum of 120 days
- Post-Shipment: Total is up to maximum 183 days

Profit Rate

Determined by EXIM Bank from time to time.

IDB CO-FINANCING

Export-Import Bank of Malaysia Berhad (EXIM Bank)

<http://www.exim.com.my>

Objective

This is an arrangement between EXIM Bank of Malaysia and International Islamic Trade Finance Corporation (a member of Islamic Development Bank) of Jeddah, Saudi Arabia to ensure 'secured payment transactions', benefiting exporters of goods from Malaysia to IDB countries. The Malaysian exporter who exports Malaysian products to IDB member countries through Letter of Credit (LC) will get immediate payment from EXIM Bank. EXIM Bank takes the risk of the LC issuing bank.

Shariah Contracts

The Shariah contract applicable to IDB CO-Financing is Murabahah.

Eligibility

Importers / buyers from IDB Member Countries with minimum 3 years in business and the Malaysian exporters that export Malaysian products. Available in 2 schemes namely Scheme 1 for foreign importers of Malaysian goods, and Scheme 2 for Malaysian exporters.

Quantum of Financing (Minimum)

- Scheme 1: USD200,000
- Scheme 2: USD100,000

Tenure

Up to maximum 180 days

Profit Rate

At London Interbank Offered Rate (LIBOR) + spread

IMPORT FINANCING-i

Export-Import Bank of Malaysia Berhad (EXIM Bank)

<http://www.exim.com.my>

Objective

The purpose of Import Financing-i is to finance imports of “strategic goods” consisting of Halal capital goods, raw materials and related goods for the development, upgrading expansion of infrastructure facilities or other expenses related to client’s business activities which will ultimately reduce dependency on imports and also for government initiatives projects.

Shariah Contracts

The Shariah contracts applicable to Import Financing-i are:

- Ijarah
- Murabahah
- Tawarruq

Eligibility

- Malaysian-owned or controlled company incorporated in Malaysia.
- A joint venture between a Malaysia and foreign company with Malaysian owning not less than 51% of the shareholding.

Margin of Financing

Margin of financing is up to 90% of import order value

Tenure

Tenure is subject to yearly review. The facility may be revolving or term of up to 10 years

Profit Rate

At cost of fund-i plus spread. The spread shall be based on risk rating of the company and other non-qualitative considerations.

Security

Against but not limited to the following:

- Corporate Guarantee
- Shareholders and / or Director Guarantee
- Landed Property
- Charge of fixed floating assets of customer
- Assignment of Takaful / Insurance policies and contract proceeds

SUPPLIER CREDIT

Export-Import Bank of Malaysia Berhad (EXIM Bank)

<http://www.exim.com.my>

Objective

To promote the export of Malaysian goods through financial assistance for production of goods and discounting of export bill.

Scope

The financing shall cover purchase of raw materials, components, production overhead and finished goods during the pre-shipment period. This short-term facility is also available to finance exporters' working capital requirement during the post-shipment period pending receipt of export proceeds.

Benefit to Customer

- Enables exporters to expand their international business
- Enables exporters to be competitive with flexible credit period

Type of Financing

- Pre-shipment: Working capital for overhead expenses and purchase of domestic / foreign inputs for production of goods prior to shipment.
- Post-shipment: Working capital financing after shipment.

Margin of Financing

- Pre-shipment: Up to 85% of export order value
- Post-shipment: Up to 100% of export bill

Tenure

- Pre-shipment: Up to 120 days (a longer tenure may be allowed depending on the merit of the case)
- Post-shipment: Up to 180 days (a longer tenure may be allowed depending on the merit of the case)

Interest Rate

Cost of fund plus spread

Security

Any but not limited to the following:

- Cash Collateral
- Corporate Guarantee
- Shareholders and / or Directors Guarantee
- Landed property
- Charge on fixed and / or floating assets of customers
- Assignment of Takaful / insurance policies, agreements, contract proceeds, rights and benefits.

SUPPLIER FINANCING-I

Export-Import Bank of Malaysia Berhad (EXIM Bank)

<http://www.exim.com.my>

Objective

To promote the export of Malaysian goods through financial assistance for production of goods and discounting of export bill.

Shariah Contracts

- Pre-Shipment Financing: The pre-shipment financing applies the Murabahah concept or Tawarruq concept.
- Post-Shipment Financing: The post-shipment financing applies the Tawarruq concept.

Eligibility

Malaysian exporters registered under the Companies Act 1965. Non-resident Control Company is also included.

Margin of Financing

- Pre-Shipment: Up to 100% of invoice value or 90% export order value
- Post-Shipment: Up to 100% of export bill

Tenure

- Pre-shipment: Up to 120 days (a longer tenure may be allowed depending on the merit of the case)
- Post-shipment: Up to 180 days (a longer tenure may be allowed depending on the merit of the case)

Type of Financing

- Pre-Shipment: Working capital for purchase of domestic / foreign inputs prior to shipment
- Post-Shipment: Working capital financing after shipment

Profit Rate

The profit rate based on cost of fund-i plus spread

Security

Against but not limited to the following:

- Corporate Guarantee, Shareholder and / or Director Guarantee
- Landed Property
- Charge on fixed and / or floating assets of customers
- Assignment of Takaful / insurance policies

TRUST RECEIPT

Export-Import Bank of Malaysia Berhad (EXIM Bank)
<http://www.exim.com.my>

Objective

To finance the trade transaction for import of strategic goods or services that are not available in the country but are beneficial to the country's competitiveness.

Eligibility

Malaysian-owned or controlled company incorporated in Malaysia.

Tenure

Up to 180 days and subject to yearly review. The facility shall be revolving up to the approval limit.

Interest Rate

Cost of fund plus spread

Security

Any but not limited to the following:

- Corporate Guarantee
- Shareholders and / or Directors Guarantee
- Landed Property
- Charge on fixed or floating assets of the customer
- Assignment of Takaful / Insurance policies and contract proceeds

TRUST RECEIPT-I

Export-Import Bank of Malaysia Berhad (EXIM Bank)

<http://www.exim.com.my>

Objective

Trust Receipt-i is a trade finance facility that finance imports and bridge the working capital requirement of a merchant through extension of credit period under:

- Documentary Credit-i terms
- Inward Documentary for Collection-i

It covers until receipt of sales proceed and shall be granted for Halal purposes.

Shariah Contracts

The Shariah contract applicable to Trust Receipt-i is Murabahah.

Eligibility

- Imported goods of strategic value are eligible. Local suppliers are not eligible. However, imported goods from a local agent may qualify.
- Components or semi-finished goods for further processing for export market.
- Goods for trading purposes must not be perishable nor capital goods.
- Goods must be Shariah compliant.

Tenure

Duration of the facility is up to 180 days

Profit Rate

The profit rate based on cost of fund-i plus spread

Security

Against but not limited to:

- Pledged against cash collateral
- Sinking fund
- Landed Property
- Debenture fixed or floating
- Assignment of Takaful cover
- Assignment of payment proceeds
- Assignment of Sales proceed
- Other security the Bank deem necessary

VENDOR FINANCING SCHEME

Export-Import Bank of Malaysia Berhad (EXIM Bank)

<http://www.exim.com.my>

Objective

Vendor Financing Scheme (VFS) is a facility offered to Malaysian-owned or controlled companies under a selected vendor scheme which require financing of their invoice or bill to the anchor company.

Eligibility

The target customer for VFS shall be Malaysian manufacturing companies which are involved and / or support export related industries in a selected vendor programme.

Margin of Financing

Up to 100% of invoice value discounted at prevailing profit rate

Tenure

Up to 180 days from date of disbursement

Interest Rate

EXIM Bank's cost of fund plus 1.5% per annum

Security

Assignment of payment by the anchor company

VENDOR FINANCING SCHEME-i

Export-Import Bank of Malaysia Berhad (EXIM Bank)

<http://www.exim.com.my>

Objective

Vendor Financing Scheme-i (VFS-i) is a facility offered to Malaysian-owned or controlled companies under a selected vendor scheme which require financing of their invoice or bill to the anchor company.

Shariah Contracts

The Shariah contracts applicable to Vendor Financing Scheme-i (VFS-i) is Tawarruq.

Eligibility

The target customer for VFS-i shall be Malaysian manufacturing companies which are involved and / or support export related industries in a selected vendor programme.

Margin of Financing

Up to 100% of invoice value discounted at prevailing profit rate

Tenure

Up to 180 days from date of disbursement

Profit Rate

EXIM Bank's cost of fund-i plus 1.5% per annum

Security

Assignment of payment by the anchor company

GREEN TECHNOLOGY FINANCING SCHEME

Malaysian Green Technology Corporation

<http://www.greentechmalaysia.my>

<https://www.gtfs.my>

Objective

To help incorporate green technology elements into specific projects related to the identified sectors. Private companies that could benefit from this financing scheme are “producer” or “user” of green technology products or systems. This scheme is only applicable for a new project and retrofitting or expansion that incorporates green technology elements which have not been funded or are partly funded.

1. Producer of Green Technology

Eligibility

Legally registered Malaysian-owned companies (at least 51%) in all economic sectors.

Quantum of Financing

Maximum: RM50 million per company

Tenure

Up to 15 years

Interest Rate

The interest rate charged is determined by the participating Financial Institutions (FIs). The Government will bear 2% of the total interest / profit charged by FIs.

Participating financial institutions

All commercial and Islamic banks

2. User of Green Technology

Eligibility

Legally registered Malaysian-owned companies (at least 70%) in all economic sectors.

Quantum of Financing

Maximum: RM10 million per company

Tenure

Up to 10 years

Interest Rate

The interest rate charged is determined by the participating Financial Institutions (FIs). The Government will bear 2% of the total interest / profit charged by FIs.

Participating financial institutions

All commercial and Islamic banks

BUSINESS IMPROVEMENT LOAN SCHEME

Majlis Amanah Rakyat (MARA) / Council of Trust for the People
<http://www.mara.gov.my>

Financing Facilities

- Purchase of fixed assets (machinery / equipment)
- Renovation of business premises
- Working Capital

Eligibility

- Bumiputera aged 18 years and above.
- Experienced / knowledgeable in the intended field of business.
- Possesses a license / permit / approval letter from the authorities to conduct the business.
- Able to contribute own capital not less than 10% of the project cost
- Involved in business on a full-time basis.

Quantum of Financing (Maximum)

- Sole Proprietorship / Partnership: RM250,000
- Private Limited Company: RM500,000

Profit Rate

4% per annum

Guarantee

Fixed monthly income must be no less than 3% of the total financing amount or land as collateral. The Forced Sale Value of Land must be at least 10% of the total financing amount.

EXPRESS CONTRACT FINANCING SCHEME

Majlis Amanah Rakyat (MARA) / Council of Trust for the People
<http://www.mara.gov.my>

Financing Facilities

The Express Contract Financing Scheme (SPiKE) is open to contractors in the following areas:

- Building Contractors Grade G1, G2, G3, G4 and G5
- Supply Contractors
- Service Contractors
- Electrical Contractors

Eligibility

- A Bumiputera aged 18 years and above
- Experienced / knowledgeable in the intended field of business
- Engaged in business on a full-time basis
- Registered with Contractor Service Centre (PKK), CIDB and the Ministry of Finance (whichever is relevant)

Quantum of Financing (Maximum)

RM1,000,000

Project Awarding Body:

- Government agency
- Government-linked company (GLC) and public-listed company

Profit Rate

6% per annum

Collateral / Guarantee

- Financing amount of RM250,000 and below: Exempted
- Financing amount between RM250,001 and RM1 million:
 - Guarantee: Monthly fixed income must be no less than 3% of total financing amount
 - Land Collateral : The Forced Sale Value of Land must be at least 10% of total financing amount

COMMERCIALISATION FINANCING PROGRAMME

Malaysia Debt Ventures Berhad

<http://www.mdv.com.my>

Objectives

- For early and growth stage (pre-commercialisation)
- Initial funding for corporate infrastructure
- Pre-production costs and expenses such as equipment and facilities
- Complimentary technology acquisition
- Working capital and other relevant costs and expenses

Eligibility

- Applicant must be a Malaysian incorporated company with a minimum of 50% Malaysian shareholding and must have a minimum paid-up share capital of RM100,000.
- Applicants who received seed and R&D grants from the relevant Ministries and / or Agencies are given priority.
- Applicant must be involved within MDV Programme's Focus Areas i.e. ICT and Biotech.
- Applicant from the Emerging Technology sectors can also apply subject to the ability to demonstrate the overall economic benefit of the project.
- Applicant must have sufficient capability, possess experience in technical and management and the company must exhibit commercial potential.

Target Sectors

- ICT Businesses and Industries
- Biotechnology
- Clean / Green Technology

Margin of Financing

Up to 85% of contract or asset cost (Venture Project Line will be dependent upon level of projected cash flow of Applicant)

Interest / Profit Rate

Fixed throughout tenure of loan or financing and subject to risk scoring criteria and effective cost of funds

INTELLECTUAL PROPERTY FINANCING SCHEME

Malaysia Debt Ventures Berhad
<http://www.mdv.com.my>

Objective

To enable companies with Intellectual Property Rights (IPRs) to use their IPRs as an additional source of collateral to obtain funding and spur more investments for companies with technology capabilities, in turn encouraging innovation. The scheme will also help alleviate the difficulties that several technology-focused companies face when attempting to seek funding from financial institutions.

Eligibility

- The company must be incorporated in Malaysia with minimum paid-up capital of RM100,000.
- The company must own the IP and the said IP has to be registered with MyIPO.
- The company must have their IP valued with MyIPO or any other valuer approved by MDV.
- The company must fall within MDV mandated sector i.e. ICT, Biotechnology, Green Technology, and other high growth sectors.

Quantum / Margin of Financing

Up to RM10 million or 80% of valued IP, whichever is lower

Interest Rate

2% per annum interest / profit equalisation payment

Tenure

5 years financing tenure (inclusive of a grace period of up to 12 months)

Guarantee

50% guarantee provided by the Government of Malaysia

BIOTECHNOLOGY COMMERCIALISATION FUND

Malaysian Biotechnology Corporation (BiotechCorp)

<http://www.biotechcorp.com.my>

Objectives

- To facilitate on-going commercialisation of biotechnology products and services.
- To facilitate expansion of existing biotechnology businesses.

Eligibility

- The applicant must be a BioNexus Status company.
- Majority Malaysian-owned i.e. at least 51% of the equity is owned by Malaysian.
- Minimum paid-up capital of RM250,000.

Coverage

The fund shall cover expenditure related to commercialisation activities (within the ambit of the BioNexus Status Qualifying Activities) by the applicant company which may include the following:

- Commercialisation expansion project
- Commercialisation or expansion of existing biotechnology products or services
- Commercialisation or expansion of new biotechnology products or services
- Activities for commercialisation or expansion into new markets (geographical or segmental)

The typical expenditure for the Biotechnology Commercialisation Fund includes:

- Project / Machinery
 - Cost of expansion of production, research and service related facilities
 - Procurement of production or laboratory equipment
- Working Capital
 - Intellectual property filing and registration
 - Clinical or field trial costs
 - Raw materials, consumable or livestock
 - Compliance and regulatory costs
 - Expenses directly related to R&D activities towards improving the existing products / services with the exception of payroll / human capital emolument expenses.

- Expenses directly related to business expansion activities to introduce products / services into the global market with exception of payroll / human capital emolument expenses.

Quantum of Financing

- Minimum: RM500,000
- Maximum: RM3 million

Margin of Financing

Up to a maximum margin of 90% of the total project cost

Interest / Profit Rate

Between 5.00% - 6.25% that will be charged on monthly rest basis on all BCF facilities

Tenure

Up to a maximum period of 6 years (excluding the grace period of up to 1 year)

SOFT LOAN SCHEME FOR AUTOMATION AND MODERNISATION

Malaysian Industrial Development Finance Berhad (MIDF)
<http://www.midf.com.my>

Objectives

The Soft Loan Scheme for Automation and Modernisation (SLSAM) assists manufacturing companies to:

- Modernise and automate manufacturing processes
- Upgrade production capability and capacity
- Minimise dependence on labour – intensive activities and foreign labour
- Diversify into higher value- added activities
- Rationalise and streamline operations including through mergers and acquisitions
- Acquire tools for development and production activities
- Improve productivity
- Enhance export performance

Eligibility

- Companies incorporated under the Companies Act 1965
- At least 51% equity held by Malaysians
- Possess a valid business licence
- In operation for at least 2 years

Target Sector

- Manufacturing

Quantum of Financing

- Minimum: RM50,000
- Maximum: RM10 million for each application

Margin of Financing

- Up to 70% for mergers and acquisitions
- Up to 90% for financing factory / building
- Up to 90% for new machinery / equipment, moulds, dies, jigs and fixtures
- Up to 65% for used / reconditioned machinery and equipment
- Up to 90% for other eligible expenses

- Up to 100% for financing existing loan principal amount with other financial institutions (existing factory building / machinery / equipment/ moulds / dies / jigs / fixtures)
- Working Capital Financing:
 - Up to 100% for Purchase Revolving Credit;
 - Up to 90% for Sales Revolving Credit
 - Up to 90% for Term Working Capital Financing
 - Up to 80% for Factoring

Interest / Profit Rate

- 4% per annum on yearly rest for SMEs
- 5% per annum on yearly rest for non-SMEs

SOFT LOAN SCHEME FOR BUMIPUTERA AUTOMOTIVE ENTREPRENEURS

Malaysian Industrial Development Finance Berhad (MIDF)
<http://www.midf.com.my>

Objective

To facilitate and assist Open Approved Permit (AP) holders to expand and diversify into other automotive-related businesses and to sustain and enhance Bumiputera participation in the automobile industry.

Eligibility

Companies incorporated under the Companies Act 1965 with:

- Open AP Holders for passenger vehicles (excluding motorcycles)
- Open AP Holders for motorcycles that are registered members of Persatuan Pengimpot dan Peniaga Kenderaan Melayu Malaysia (PEKEMA)
- A joint venture company with controlling equity stake held by Open AP Holders
- A company with controlling stakes owned by Director(s) or shareholder(s) of the Open AP holders and the controlling aspects are reflected in the equity stake, members of the company's Board of Directors, managerial, technical and supervisory
- A joint venture company with shares owned by Open AP Holders and Director(s) or shareholder(s) of the Open AP holders with controlling equity stake
- Possess a valid premises licence

Target Sectors

- Manufacturing
- Services excluding financial and insurance services

Quantum of Financing

- Minimum: RM100,000
- Maximum: RM5 million

Margin of Financing

- Up to 90% of the costs of land / building construction / ready-built buildings or renovation / upgrade of service centres or new plant & machinery / equipment and / or related fixed assets
- Up to 65% of the costs of used / reconditioned plant and machinery / equipment which are not more than 5 years old

- Up to 80% of the costs incurred / to be incurred in securing automotive distributorships / dealerships from existing franchise holders
- Working Capital:
 - Up to 100% for Purchase Revolving Credit
 - Up to 80% for Sales Revolving Credit
 - Up to 80% for Term Loan
 - Up to 80% for Factoring

Interest / Profit Rate

3.5% per annum on yearly rest

SOFT LOAN SCHEME FOR SERVICES CAPACITY DEVELOPMENT

Malaysian Industrial Development Finance Berhad (MIDF)
<http://www.midf.com.my>

Objective

To assist companies and enterprises to undertake upgrading and modernisation for diversifying into higher value-added activities, and improving the productivity and efficiency of service delivery. It addresses the impact of liberalisation by providing financial assistance to service providers to build up their capacity in order to withstand competition due to the opening up of markets as well as to strengthen international competitiveness.

Eligibility

- Companies incorporated under the Companies Act 1965 or enterprises registered under the Registration of Businesses Act 1956
- At least 60% equity held by Malaysians
- Possess a valid premises licence
- In operation for at least 2 years
- Annual turnover exceeding RM200,000 and full-time employees exceeding 5

Target Sector

All services sub-sectors except financial, insurance, utilities and construction sectors.

Quantum of Financing

- Minimum: RM50,000
- Maximum: RM5 million

Margin of Financing

- Up to 90% of the expenditure

Interest / Profit Rate

- 4.0% per annum on yearly rest for SMEs
- 5.0% per annum on yearly rest for non-SMEs

SOFT LOAN SCHEME FOR SERVICES EXPORTS

Malaysian Industrial Development Finance Berhad (MIDF)

<http://www.midf.com.my>

Objective

To provide assistance for Malaysian Service Providers (MSPs) to undertake activities to expand and venture into international markets. The implementation of the fund is from 2015 until 2020.

Eligibility

- Registered with MATRADE under the Malaysia Exporters Registry (MER).
- Firms incorporated under the Companies Act 1965; or Sole proprietors, professionals and partnerships registered with respective professional authorities in Malaysia.
- Having at least 60% equity owned by Malaysian.
- Company must be currently active in business and has been in operation for at least 1 year.
- Exporting Malaysian services or products made in Malaysia.

Target Sector

Services (excluding tourism and financial sectors)

Quantum of Financing

- Financing to defray the cost related to the issuance of a Bank Guarantee or Performance Bond for project execution excluding the principal value of the said Bank Guarantee or Performance Bond: Maximum of RM5 million per company.
- Financing to assist MSPs in proposing and planning for overseas' project negotiations: Maximum of RM2 million per company.

Margin of Financing

Up to 90% of the eligible expenses

Interest Rate

2% per annum on yearly rest

Tenure

Up to 2 years including 6 months grace period

SOFT LOAN SCHEME FOR SERVICES SECTOR

Malaysian Industrial Development Finance Berhad (MIDF)

<http://www.midf.com.my>

Objective

- To provide financial assistance to new start-up companies and / or enterprises for the creation of new services entrepreneurs.
- To provide financing assistance to the services sector to expand/ upgrade / modernise / diversify their services into higher value-added activities and improve productivity and efficiency in service delivery.

Eligibility

- Companies incorporated under the Companies Act 1965 or enterprises registered under the Registration of Businesses Act 1956 or services providers registered under the Certificate of Practice any Professional Regulatory Bodies.
- At least 60% equity held by Malaysians.
- Possess a valid premises licence.

Target Sector

All services sub-sectors except financial, insurance, utilities and construction sectors.

Quantum of Financing

RM100,000 to RM5 million

Margin of Financing

- Fixed Assets:
 - Land & buildings - up to 100% of the costs of land / building construction / ready-built premises and renovation
 - Machinery / equipment / motor vehicles / hardware & software and other fixed assets: up to 80% of the costs of new fixed assets
 - Machinery/ equipment/ motor vehicles that are not more than 5 years old: up to 60% of the costs of used / reconditioned assets
- Working Capital:
 - Up to 100% for Purchase Revolving Credit
 - Up to 80% for Sales Revolving Credit
 - Up to 50% of advertising and promotional costs

Interest / Profit Rate

- 4.0% per annum on yearly rest for SMEs
- 5.0% per annum on yearly rest for non-SMEs

SOFT LOAN FOR SMALL AND MEDIUM ENTERPRISE

Malaysian Industrial Development Finance Berhad (MIDF)

<http://www.midf.com.my>

Objective

To assist existing as well as start-up enterprises in project, fixed assets and working capital financing.

Eligibility

- SMEs incorporated under the Companies Act 1965 or Registration of Businesses Act 1956.
- At least 60% equity held by Malaysians.
- Possess a valid premises licence.
- SMEs with shareholdings not exceeding 20% held by public-listed companies (only if applicable).

Target Sectors

- Manufacturing
- Manufacturing-related services
- Services (excluding insurance and financial services)

Quantum of Financing

- Minimum: RM50,000
- Project Financing: Maximum RM5 million
- Fixed Assets Financing: Maximum RM5 million
- Working Capital Financing: Maximum RM3 million
- IT Hardware / Software: Maximum RM500,000

Margin of Financing

- Fixed Assets / IT Hardware/Software:
 - Up to 90% of the cost of new assets
 - Up to 65% for used / reconditioned machinery / equipment which are not more than 5 years old
- Working Capital:
 - Up to 100% for Purchase Revolving Credit
 - Up to 80% for Sales Revolving Credit
 - Up to 90% for Term Financing
 - Up to 80% for Factoring

Interest / Profit Rate

4% per annum on yearly rest

BUSINESS START-UP FUND

Malaysian Technology Development Corporation (MTDC)

<http://www.mtdc.com.my>

Objective

- To support and encourage entrepreneurship, creation of new strategic businesses that are important and potentially scalable, and funding of supporting companies within the technology ecosystem.

Type of Financing

The fund incorporates elements of loan and equity, offering companies with flexible funding via Convertible Notes and / or Preference Shares.

Target Sectors

- Industrial Technology
- Biotechnology
- Sea to Space
- Science & Technology Core
- Information Communications & Technology

BUSINESS IN TRANSFORMATION (B.I.T) PROGRAMME

Perbadanan Nasional Berhad (PNS)

<http://www.pns.com.my>

Objective

A business transformation programme for small entrepreneurs to become more competitive and systematic in conducting business to gain more profit and develop their business effectively.

Eligibility

- Malaysian citizen aged 21 years and above.
- Businesses based on Shariah principle.
- Registered with the Companies Commission of Malaysia (SSM).
- In operation for at least 2 years.
- Owner is not certified as bankrupt and free from any legal action
- Able to adapt to the R.E.K.A (Realignment, Expansion, Knowledge, Adaptation) concept.
- Attend courses organised by the PNS Academy.
- Own at least 2 outlets / kiosks / stalls /agents.
- Business proves profitable and viable.
- Interested in expanding the business.
- Brand name is recognised locally.
- Has a support chain system beginning from production – distribution – logistics – mobile business / permanent kiosk.

Type of Financing

Tawarruq

Quantum of Financing

Up to RM25,000

Margin of Financing

Up to 90%

Tenure

Up to 5 years (Collection of repayment to PNS will be performed by the Licensor)

Profit Rate

At a rate of 3%

FRANCHISE EXECUTIVE SCHEME

Perbadanan Nasional Berhad (PNS)

<http://www.pns.com.my>

Objectives

- To encourage more Bumiputera in public and private sectors to venture into franchise business.
- Focus on those who are involved in Voluntary Separation Scheme (VSS) or early retirement.

Eligibility

- 25 years and above.
- Preference given to applicants with minimum qualification of Diploma.
- Master Franchisor / Franchisee registered with Registrar of Franchise (ROF).
- 100% equity owned by Bumiputera.
- Letter of Offer from Master Franchisor / Franchisee.
- Entrepreneur is the owner and operator.
- Financing application made through private limited company for financing above RM250,000.
- Financing application by sole proprietor is limited to financing below RM250,000.
- Business must be Shariah compliant.

Quantum of Financing

RM50,000 to RM1 million

Margin of Financing

Up to 70% of project cost

Tenure

5 years

Profit Rate

6% per annum

FRANCHISEE FINANCING SCHEME

Perbadanan Nasional Berhad (PNS)

<http://www.pns.com.my>

Objective

Provide financing scheme to Bumiputera franchisees for start-up or business expansion.

Eligibility

- Age 21 years and above.
- Preference will be given to those with minimum qualification of Diploma.
- Entrepreneur is the owner and operator.
- Master Franchisor / Franchisee registered with Registrar of Franchise (ROF).
- 100% equity owned by Bumiputera.
- Letter of Offer from Master Franchisor / Franchisee.
- Financing application made through private limited company for financing above RM250,000.
- Application by sole proprietor is limited to financing below RM250,000.
- The business must be Shariah compliant.

Quantum of Financing

RM20,000 to RM500,000

Margin of Financing

Up to 70% of project cost

Tenure

5 years

Profit Rate

4.75% per annum (without collateral)

4.50% per annum (with collateral)

FRANCHISOR FINANCING SCHEME

Perbadanan Nasional Berhad (PNS)

<http://www.pns.com.my>

Objectives

- To provide financial assistance for franchisors / master franchisees to expand their business.
- To encourage and facilitate franchisors to venture into international expansion.
- To assist franchisors / master franchisees in strengthening their capabilities and capacity to support franchisees for business expansion.

Eligibility

- A private limited company.
- Registered with Registrar of Franchise (ROF).
- A member of Malaysian Franchise Association (MFA).
- Registered profits and positive shareholder funds in its latest audited accounts.
- The business must be Shariah compliant.

Quantum of Financing

RM100,000 to RM2,000,000 / Subject to a gearing ratio of not more than 4 times

Tenure

Up to 10 years

Profit Rate

6% to 8% per annum

PRE-FRANCHISE SCHEME

Perbadanan Nasional Berhad (PNS)
<http://www.pns.com.my>

Objective

To provide financial assistance to potential franchisors and master franchisee.

Eligibility

- A private limited company.
- Registered profits and positive shareholder funds in its latest audited accounts.
- Have at least 51% Bumiputera shareholding.
- Must meet the minimum requirement under “Franchise Readiness Audit” [report from Registered Consultant with Registrar of Franchise (ROF) / Perbadanan Nasional Berhad (PNS) / Malaysia Franchise Association (MFA)].
- Have at least 1 outlet in operation for a minimum period of 1 year.
- The business must be Shariah compliant.

Quantum of Financing

RM50,000 to RM2,000,000 / subject to a gearing ratio of not more than 4 times

Tenure

Up to 10 years

Profit Rate

6% per annum

PROSPER PEMBORONG SCHEME

Perbadanan Usahawan Nasional Berhad (PUNB)

<http://www.punb.com.my>

Objective

For Bumiputera entrepreneurs who are keen to venture or expand their wholesale distribution or supply business.

Eligibility

- Entrepreneur
 - Bumiputera who possess strong entrepreneurial characteristics like honesty, confidence, resilience, positive mind and attitude, creative and self-discipline.
 - Knowledgeable in the business or having the experience in existing business or has secure a contract / rights to distribute / supply the goods.
 - Able to provide at least 20% of the total project cost.
 - Satisfactory financial record with financial institutions.
 - Fully committed to the business.
 - Willing to attend the courses related to the business identified from time to time.
- Business
 - Must be in wholesale, distribution or supply
 - Owned and managed by Bumiputera
 - Strong growth potential that provides synergy to the retail

Quantum of Financing

RM500,000 to RM5 million

Target Sectors

- Consumer goods
- Commercial industry goods
- Provision of large scale hospitality services i.e. budget hotel, food court, child development centre and etc.
- Other business suitable to needs of large scale retail

Tenure

Up to 7 years

PROSPER RUNCIT SCHEME

Perbadanan Usahawan Nasional Berhad (PUNB)

<http://www.punb.com.my>

Objective

For Bumiputera Entrepreneurs who are keen to venture or expand their retail business.

Eligibility

- Entrepreneur
 - Bumiputera age 18 years and above.
 - Possess strong entrepreneurial characteristics such as honesty, confidence, resilience, positive attitude, creative and self-discipline.
 - Willing to attend courses that have been identified.
 - Favourable records with financial institutions.
 - Willing to work full time.
 - Must be able to finance at least 10% of the total project cost.
- Business
 - Retail business which is 100% owned by Bumiputera.
 - Viable business with project cost not exceeding RM1 million.
 - The business must be free of financial assistance from any financial institutions that took any form of security in form of charge on the company's asset.
 - The business location has been identified.

Quantum of Financing

RM100,000 to RM1 million

Target Sectors

- Petrol Station
- Textile & clothing shops
- Jewellery shop
- Optical and spectacles shops
- Food
- Shoes & leather shop
- Cosmetic and beauty shop
- Women accessories shop
- Books & stationery shop
- Herbal & traditional medicine shop
- Sports equipment and recreation shop
- Electric & electronic shop
- Provisional shop / mini market
- Any other suitable businesses

Tenure

Up to 7 years

PROSPER TERAS

Perbadanan Usahawan Nasional Berhad (PUNB)

<http://www.punb.com.my>

Objective

To develop and assist Bumiputera retail entrepreneurs to enhance their participation in the economy to achieve the aspiration of a high income nation by 2020.

Eligibility

- Entrepreneur
 - Bumiputera who possess strong entrepreneurial characteristics like honesty, confidence, resilience, positive mind and attitude, creative and strong self-discipline.
 - Knowledgeable in the business or having the experience in existing business or has secure a contract / rights to distribute / supply the goods.
 - Able to provide at least 20% of the total project cost.
 - Satisfactory financial record with financial institutions.
 - Fully committed to the business.
 - Willing to attend the courses related to the business identified from time to time.
- Business
 - Must be in wholesale, distribution or supply.
 - Owned and managed by Bumiputera.
 - Strong growth potential that provides synergy to the retail.

Coverage

- Renovation of the premises, working capital and other related needs
- Purchase of fixed assets, stocks and other related assets

Quantum of Financing

Shari'ah financing from RM50,000 up to the maximum of RM500,000

Target Sectors

- Automotive
- Hardware
- Telecommunications
- Professional services
- Child Care and Education
- Other potential sub-sectors

Tenure

2 to 7 years

PROSPER USAHAWAN MUDA

Perbadanan Usahawan Nasional Berhad (PUNB)

<http://www.punb.com.my>

Objective

For young Bumiputera entrepreneurs who are keen to venture into business.

Eligibility

- Entrepreneur
 - Bumiputera
 - Not more than 33 years old in age on the date of registration
 - Willing to attend all programmes organised by PUNB
- Business
 - 100% owned and managed by Bumiputera entrepreneur
 - New or expanding business

Quantum of Financing

- Amount of individual financing: RM5,000 to RM50,000
- Amount of partnership financing: Up to RM100,000

Target Sectors

- Telecommunication & Computer Peripherals
- Education
- Distribution & Wet Market
- Clothing & Accessories
- Confectionary & Food Stall
- Cosmetic & Beauty Services
- Metal Equipment & Building Material
- Photocopy & Printing
- Books & Stationary
- Home Furnishing
- Automotive

Tenure

Up to 7 years

SME SCHEME

Perbadanan Usahawan Nasional Berhad (PUNB)

<http://www.punb.com.my>

Objective

Bumiputera SME entrepreneurs who are keen to set or grow their manufacturing or services business of high growth and export potential.

Eligibility

- Bumiputera individuals aspiring to own and operate a business, are eligible for SME funding providing they can demonstrate strong entrepreneurial characteristics and sound values such as honesty, confidence, resilience, a positive mental attitude, a creative outlook and a high level of self-discipline; along with good communication and management skills.
- The total immediate funding requirement to develop the business must be at least RM500,000.
- The enterprise's product/services must be ready for market, the entrepreneur must have the proprietary rights over the product/ services of the enterprise.
- The business must have a good business model and sound execution strategies.
- The business should be able to generate returns at least on par with the industry performance.
- The business plan must provide a viable exit strategy for PUNB's equity stake through redemption, buy back of equity, merger & acquisition, or public listing, etc.

Funding Requirement

- The total immediate funding to develop business must be at least RM500,000.
- The entrepreneur / management team must be willing and able to provide at least 20% of the total funding requirement from their own resources, if PUNB is to be the sole financier for the enterprise.

Quantum of Financing

RM500,000 to RM5,000,000

Target Sectors

- Information and communication technology
- Electric, electronic and computer device
- Bio-technology, pharmaceuticals, medical & health equipment and services
- Food technology
- Agriculture based products
- Manufacturing of automotive components
- Chemistry, gas & petroleum goods and services
- Other sectors of economy that synergies with PUNB investment portfolio

Tenure

Up to 7 years

SMALL & MEDIUM SCALE INDUSTRY FINANCING

Sarawak Economic Development Corporation (SEDC)

<http://www.sedc.com.my>

Objective

The fund is for:

- Working capital
- Renovation of existing business premise
- Purchase of machinery / business equipment

Eligibility

- Bumiputera entrepreneurs with valid business license registered with Registrar of Business / Registrar of Company (ROB / ROC).
- Malaysian citizen age 21 years and above.
- Have a proper and formal place of business (especially in major towns).
- Fully involved in business.
- At least have 1 year experience in managing the business.
- Involved in the manufacturing / processing, services and ICT sector.

Quantum of Financing

- Minimum: RM 6,000
- Maximum: RM250,000

Tenure

Maximum of 7 years

Service Charge

4% per annum

BUMIPUTERA EQUITY (EquiBumi) FINANCING FACILITY

Small Medium Enterprise Development Bank Malaysia Berhad
(SME Bank)

<http://www.smebank.com.my>

Objective

To increase Bumiputera equity ownership by providing financing to credible Bumiputera companies to take over the target company.

Eligibility

- Company registered with the Companies Commission of Malaysia and fulfil the SME definition.
- The company must be financially viable and fulfil the criteria set by SME Bank.

Type of Financing

Based on Shariah financing concept (Bai' Bhitaman Ajil, Commodity Murabahah Term Financing-i)

Margin of Financing

Maximum up to 100% of the equities purchase price

Tenure

Up to 15 years from the date of the facility's disbursement (excluding incidental costs to be borne by acquirer such as advisory fees, legal fees, stamp duty to be paid, etc.)

BUMIPUTERA FINANCING FUND

Small Medium Enterprise Development Bank Malaysia Berhad
(SME Bank)
<http://www.smebank.com.my>

Objective

To provide financing to eligible entrepreneurs in the acquisition purposes of identified companies to be divested by Government-linked companies.

Eligibility

- Private limited company registered with Companies Commission of Malaysia and fulfil the SME definition.
- Fulfil criteria set by SME Bank.

Type of Financing

Based on Shariah financing concept (Bai' Bhitaman Ajil, Bai' Inah, Commodity Murabahah Term Financing-i)

Tenure

Up to 15 years

BUMIPUTERA SME EQUITY FINANCING

Small Medium Enterprise Development Bank Malaysia Berhad
(SME Bank)

<http://www.smebank.com.my>

Objective

To own shares in other Shariah compliant companies to expand or strengthen the business.

Eligibility

- Applicant must be an SME Company registered with the Companies Commission of Malaysia with a minimum of 51% Bumiputera equity ownership (“acquirer”) and:
 - CEO / MD must be a Bumiputera
 - Majority of the management team are Bumiputera
- Existing or new company are eligible to apply.
- Acquirer must be able to demonstrate that it has the relevant expertise, experience, or personnel to manage and / or grow the acquiree business post acquisition.
- Shareholding in the acquiree company post-acquisition must be at least 51%.
- Fulfil other eligibility criteria set by SME Bank.

Quantum of Financing

- Minimum: RM2 million
- Maximum: RM10 million

Tenure

Up to 15 years

Interest Rate

As low as Base Financing Rate (BFR). BFR is subject to change from time to time

CONTRACT FINANCING

Small Medium Enterprise Development Bank Malaysia Berhad
(SME Bank)
<http://www.smebank.com.my>

Objective

To offer financing to customers who are main contractors or nominated sub-contractors having secured contracts from approved awarding parties mainly Government departments and agencies.

Eligibility

- Applicant must be the main contractor or nominated sub-contractor.
- Applicant must be registered with either of the following:
 - Ministry of Finance (MOF)
 - Contractor Service Centre (PKK)
 - Construction Industry Development Board (CIDB)
 - Other relevant licensing or registration bodies

Coverage

- Pre-Implementation Financing: Normally comprising guarantees as provided for and required for the contract, as well as working capital financing to facilitate the completion of the contract.
- Post-Completion Financing: Based on invoices already submitted to awarding parties or progress claims duly certified by the awarding parties.

Quantum of Financing

The financing limit for fund-based facilities (excluding guarantees) is guided by the highest deficit position from the contract's projected cash flow.

Margin of Financing

Up to 100% of the contract value

FINANCING PROGRAM FOR SME (SME-LEAP)

Small Medium Enterprise Development Bank Malaysia Berhad
(SME Bank)

<http://www.smebank.com.my>

Objective

To provide assistance to SME entrepreneurs to obtain financing for business expansion.

Eligibility

- The business is registered with SSM / other authorised registration bodies.
- Business has been in operation for more than 2 years.
- Applicants are required to attend the Leaders Entrepreneurship Acceleration Program (LEAP) by SME BANK-CEDAR.

Coverage

- Financing of fixed asset
- Financing of working capital

Quantum of Financing

- Minimum: RM500,000
- Maximum: RM2.5 million

Margin of Financing

Up to 100%

Tenure

- Purchase of assets: Up to 10 years including grace period
- Working capital: Up to 7 years including grace period

Profit Rate

BFR + 1.50% per annum (Annuity Monthly Rest)

FINANCING PROGRAM FOR WOMEN ENTREPRENEUR (WEP-LEAP)

Small Medium Enterprise Development Bank Malaysia Berhad
(SME Bank)

<http://www.smebank.com.my>

Objective

To provide assistance to women entrepreneurs under the SME category to obtain financing for business expansion.

Eligibility

- The business is registered with SSM / other authorised registration bodies.
- For a partnership firm or Sdn Bhd company, the women entrepreneur (applicant) must hold majority shares of 51% and is the key decision maker and must be full time in business.
- Applicants are required to attend the Leaders Entrepreneurship Acceleration Program (LEAP) by SME BANK-CEDAR.

Coverage

- Financing of fixed assets
- Financing of working capital

Quantum of Financing

- Minimum: RM500,000
- Maximum: RM2.5 million

Margin of Financing

Up to 100%

Tenure

- Purchase of assets: Up to 10 years including grace period
- Working capital: Up to 7 years including grace period

Profit Rate

BFR + 1.50% per annum (Annuity Monthly Rest)

i-ENTERPRISE PREMISE FINANCING

Small Medium Enterprise Development Bank Malaysia Berhad
(SME Bank)

<http://www.smebank.com.my>

Objective

A financing package to part finance the purchase or re-finance premises such as factory, shop office or shop lot in commercial complexes whether completed or under construction.

Eligibility

- Sole-proprietor and partnership.
- Private limited company within the national definition of SME.
- Individual business owner.

Coverage

- Bai' Bithaman Ajil for completed and under construction premise / building
- Bai'Inah for working capital financing

Margin of Financing

Up to 150% of market value

Tenure

Up to 30 years, with grace period of up to 6 months (for completed property) and 24 to 36 months (for property under construction)

IBS PROMOTION FUND

Small Medium Enterprise Development Bank Malaysia Berhad
(SME Bank)
<http://www.smebank.com.my>

Objective

To encourage the growth and to promote the use of IBS in the construction sector.

Eligibility

- Company must possess IBS Certificate from CIDB; or the developer that applies IBS method and obtained One Stop Centre (OSC) approval.
- Registered under the Companies Commission of Malaysia Act 2001 or Co-operative Societies Act 1993.
- The company has been in operation for a minimum of 2 years.
- Applicant is a Malaysian citizen with a minimum of 51% equity ownership.
- The company has positive shareholders fund.
- No legal actions against the Directors or the Company.

Coverage

- Fixed Asset (machinery and equipment)
- Factory Renovation / Working Capital

Quantum of Financing

- Minimum: RM500,000
- Maximum: RM10 million

Margin of Financing

- Fixed Asset (Machinery & Equipment)
 - New Assets: Up to 80%
 - Used Assets: Up to 70%
- Factory Renovation / Working Capital
 - Up to 100%

Tenure

Up to 5 years

Profit Rate

4% per annum

MALAY RESERVE DEVELOPMENT FINANCING PROGRAMME

Small Medium Enterprise Development Bank Malaysia Berhad
(SME Bank)

<http://www.smebank.com.my>

Objective

- To provide financing facility for development of the Malay Reserve Land in strategic areas.
- To assist in developing and/ or redevelopment of Malay Reserve Land.
- To rationalise and optimise the use of land within the Malay Reservation Area (MRA).

Eligibility

- Companies categorised as SMEs and registered with Companies Commission of Malaysia.
- Bumiputera involved in the development and / or redevelopment of Malay Reserve Land.
- Company must be financially viable and fulfil the criteria set by SME Bank.

Coverage

- Purchase completed commercial asset / property
- Purchase of land and construct commercial & residential property (Bridging Financing)
- Refinancing of encumbered / unencumbered commercial property
- Renovation / refurbishment of existing commercial property
- Finance the actual cost of stamp duty, legal fees and valuation (where applicable)
- Any other purposes as approved by SME Bank

Quantum of Financing

Subject to the single customer limit of SME Bank

Margin and Tenure of Financing

Subject to the facility granted by SME Bank

Profit Rate

Competitive Fixed / Variable / Flat Profit Rate

MY SEED SME SCHEME (MYS3)

Small Medium Enterprise Development Bank Malaysia Berhad
(SME Bank)

<http://www.smebank.com.my>

Objective

For Indian entrepreneurs to get access to financial assistance to expand their businesses.

Eligibility

- Registered under the Companies Commission of Malaysia Act 2001 or Co-operative Societies Act 1993.
- Applicant with SCORE 3 rating and above.
- Applicant must be an Indian with minimum of 51% equity ownership with good credit record.
- The company has positive shareholders fund.
- Involve in the Government promoted industries and sectors identified by SME Bank from time to time.
- The company has been in operations for a minimum of 2 years.

Coverage

- Fixed Asset (machinery and equipment)
- Working capital requirement for SME entrepreneurs

Quantum of Financing

- Minimum: RM1 million
- Maximum: RM5 million

Margin of Financing

- Fixed asset: Up to 90%
- Working capital: Up to 100%

Tenure

- Fixed asset: Up to 7 years
- Working capital: Up to 5 years

Profit Rate

At minimum BFR + 1.5% per annum

ONLINE BUSINESS FINANCING SCHEME

Small Medium Enterprise Development Bank Malaysia Berhad
(SME Bank)

<http://www.smebank.com.my>

Objective

To help entrepreneurs to establish a viable online business presence.

Eligibility

- Malaysian Bumiputera entrepreneurs involved in online business.
- Registered with the Malaysian Association of Bumiputera ICT Industry and Entrepreneurs (NEF).
- Full time in managing the online business and has been active for the last 1 year.
- Have at least 6 months online business involved in selling physical, digital products and services.
- The business is registered with Companies Commission of Malaysia or other authorised registration bodies under a sole-proprietorship or partnership firm or Sdn Bhd (For Sdn Bhd – the applicant must hold at least 51% majority shares).
- Have visible online business by having at least 1 of the following:
 - Facebook Fanpage or any other social media tools
 - Blog or website (minimum of 4 pages / posting)
 - Store Account / Premium Account (Mudah.my, eBay, Lelong)
 - Registered with dropship platform
- Meets all the criteria determined by SME Bank.

Quantum of Financing

- Minimum: RM20,000
- Maximum: RM500,000

Tenure

Maximum 5 years inclusive of maximum 1 year grace period

Profit Rate

7% per annum (Annuity Monthly Rest)

PUBLIC TRANSPORT DEVELOPMENT FUND

Small Medium Enterprise Development Bank Malaysia Berhad

(SME Bank)

<http://www.smebank.com.my>

Objective

- Provide a special financing facility especially for commercial buses and taxis service operators throughout Malaysia with more flexible terms and competitive rates.
- Encourage economic growth in the public transportation industry and other related businesses whilst contributing to the socio-economic development and improving the quality of the nation's public transportation services.
- Assist entrepreneurs in the public transportation in bus and taxi sector to increase its competitiveness with high levels of quality service.

Eligibility

- Open to all companies / cooperatives / firms owned by Malaysian or individuals (Malaysian).
- Company registered with the Companies Commission of Malaysia (SSM) or Cooperative with valid registration from the Cooperative Commission.
- Own a license or Offer Letter of Approval (STK) from CVLB.
- Project must be viable with the ability to service the loan and operated by the license holder or STK.

Coverage

- Purchase of new or reconditioned vehicles for new licenses or STK or replacement of old vehicles.
- Improve the quality of vehicles (such as conversion to NGV, installation / conversion of audio / video, seats, air conditioning, body paint and other modifications). Financing to cover the cost of repairs due to accidents is not permitted.
- Financing for working capital is only allowed for bus and taxi operators with the company / firm / cooperative status only (individual operators are not allowed).

Quantum of Financing

- Minimum: RM30,000
- Maximum: RM10 million

Margin of Financing

Up to 100% of the vehicle price and repair costs depending on the type of financing instruments offered and also the credit risk rate of the project

Tenure

- Taxis / Rental Cars: Maximum of 5 years or the remaining useful life of the taxi / rental car, whichever is lower
- Bus: Maximum of 10 years, for Express bus is 8 years or remaining useful life of the bus, whichever is lower

Profit Rate

4% per annum calculated on the remaining annual instalments (annuities)

ROLLING EXPENDITURE ADVANCE CASH SCHEME (i-REACH)

Small Medium Enterprise Development Bank Malaysia Berhad
(SME Bank)

<http://www.smebank.com.my>

Objective

To support contractors to perform and deliver projects within the stipulated contract period.

Eligibility

- Applicants must be SMEs with good credit record.
- Obtained contracts for construction, civil, mechanical, engineering, landscaping and other simple contracts from the Government, State Government, Government agencies, GLCs and its subsidiaries.
- Contract period is short term i.e. not more than 12 months.

Coverage

To finance construction, civil, mechanical, engineering, landscaping and other simple contracts awarded by the Federal Government, State Government, Government Agencies, GLCs and its subsidiaries.

Facility

- Kafalah Bank Guarantee: For Performance Bond as required in the contract.
- Bai' Murabahah: For working capital requirement (pre-implementation financing).

Quantum of Financing

RM50,000 to RM1 million (including the Kafalah Bank Guarantee)

Margin of Financing

- Kafalah Bank Guarantee: 100% of the Performance Bond amount
- Bai' Murabahah: 80% of contract value or 100% of actual cost, whichever is lower

Tenure

- Kafalah Bank Guarantee: As per requirement of contract awarder
- Bai' Murabahah: Up to 180 days repayment period

Profit Rate

1.00% – 1.50% per month for working capital

SMALL BUSINESS FINANCING

Small Medium Enterprise Development Bank Malaysia Berhad
(SME Bank)

<http://www.smebank.com.my>

Objective

To increase product marketability and transform a business from micro to small category.

Eligibility

- The business is owner-operated.
- Registered under the Companies Commission of Malaysia Act 2001 or Co-operative Societies Act 1993.
- The company is in operation for at least 2 years and profitable in the current year.
- Minimum annual sales turnover of RM250,000.
- Applicant must be a micro-sized company with a minimum of 51% Bumiputera equity ownership and possess good credit record (no adverse track record with any Financial Institutions).
- Chief Executive Officer / Managing Director must be a Bumiputera.
- Fulfil the criteria set by SME Bank.

Financing Limit

- Minimum: RM100,000
- Maximum: RM750,000

Tenure

Up to 7 years

Profit Rate

7.5% per annum (monthly basis)

SME TECHNOLOGY TRANSFER FUND

Small Medium Enterprise Development Bank Malaysia Berhad
(SME Bank)
<http://www.smebank.com.my>

Objective

- To enable entrepreneurs to improve or even meet international standards that will open up new horizon in expanding their business.
- To assist entrepreneurs in ensuring their products and services are given the boost to penetrate into new markets with quality offerings.

Eligibility

- Fulfil the SME definition under the National SME Development Council.
- Registered under the Companies Commission of Malaysia Act 2001 or Co-operative Societies Act 1993.
- Company has been in operation for a minimum of 2 years.
- Must submit the Technology Audit Report issued by SIRIM.
- Applicant is a Malaysian citizen with a minimum of 51% equity ownership.
- No legal action against the Directors or the Company.
- Company has positive shareholders fund.

Coverage

- Fixed asset (machinery & equipment)
- Factory renovation / working capital

Quantum of Financing

Maximum: Up to RM5 million

Margin of Financing

- Fixed asset (machinery & equipment)
 - Up to 80% for new assets
 - Up to 70% for used assets
- Factory renovation / working capital
 - Up to 100%

Tenure

Up to 5 years

Profit Rate

4% per annum

SUPPLEMENTARY RENEWED FACILITY (i-SURF)

Small Medium Enterprise Development Bank Malaysia Berhad
(SME Bank)

<http://www.smebank.com.my>

Objective

An automatic additional working capital financing for SME Bank's existing customers who have collateral in the form of property and / or Sijil Pelaburan Am Mudharabah / Fixed Deposit charged or pledged to the bank and have shown good repayment record.

Eligibility

- Existing customers of SME Bank.
- Paid at least 30% of the existing scheduled repayment facilities.
- Repayment record for last 12 months has shown aging of not exceeding 1 month.
- Still under SME status.
- Possess existing collateral in form of property and / or Sijil Pelaburan Am Mudharabah / Fixed Deposit.
- No record of restructuring / reschedule during the financing period.
- Company / firm is solvent.

Coverage

To finance working capital (inclusive of legal fees, stamping fees and document registration cost).

Quantum of Financing

Original approved amount minus outstanding amount of existing facilities and undisbursed amount, or maximum of RM3.0 million, whichever is lower.

SUPPLY ASSISTANCE SCHEME (i-SPLASH)

Small Medium Enterprise Development Bank Malaysia Berhad
(SME Bank)

<http://www.smebank.com.my>

Objective

To offer working capital financing and bank guarantee to support contractors to perform and deliver projects within the stipulated contract period.

Eligibility

- Applicants must be SMEs with good credit record.
- Obtain direct supply contract of finished products including goods and equipment such as food, clothing, vehicle, machinery & equipment (including installation, commissioning, testing and training) and office equipment.
- Contract awarder must be either the Federal Government, State Government, Government agencies, GLCs or its subsidiaries.
- The contract period is short term i.e. not more than 12 months.

Coverage

- Kafalah Bank Guarantee: For Performance Bond as required in the contract and / or bank guarantee as required by the supplier.
- Bai' Dayn: For working capital requirement (post-shipment financing)

Quantum of Financing

RM50,000 to RM1 million (including Kafalah Bank Guarantee)

Margin of Financing

- Kafalah Bank Guarantee: 100% of bank guarantee amount required by contract awarder and / or supplier.
- Bai' Dayn: Up to 80% of contract value or 90% of the actual contract cost or the supplier invoice, whichever is lower.

Tenure

- Kafalah Bank Guarantee: As per requirement of contract awarder and/ or supplier
- Bai' Dayn: Up to 180 days repayment period

Profit Rate

1.00% to 1.50% per month for working capital financing

TERAS FINANCING SCHEME

Small Medium Enterprise Development Bank Malaysia Berhad
(SME Bank)

<http://www.smebank.com.my>

Objective

Collaborative effort with TERAJU in financing eligible Bumiputera SME companies under TeraS and Non-TeraS programme.

Eligibility

- SME companies under the TeraS programme.
- For non-TeraS SME companies:
 - Minimum 2 star SCORE rating by SME Corp
 - Must not be a subsidiary of a GLC / MNC
 - Minimum 60% of Bumiputera equity
 - CEO/ MD must be Bumiputera
 - Majority of the management team are Bumiputera
 - Core business should be in NKEA sectors with the focus on Oil & Gas, Vendor Development Programme and developing supply chain

Quantum of Financing

- Landed factory building / business premises: Maximum of RM10 million per customer.
- Working capital, bank guarantee, plant / machinery, vehicle and renovation for business expansion: Maximum of RM5 million per customer.

Margin of Financing

- Purchase of assets (landed property only) for business expansion (landed factory building / business premises): Up to 90%
- Working capital, bank guarantee, plant / machinery, vehicle and renovation for business expansion: Up to 100%

Tenure

- Landed factory building / business premises: Maximum of up to 30 years including grace period of not more than 24 months (under construction)
- Working capital, bank guarantee, plant / machinery, vehicle and renovation for business expansion: Maximum of up to 10 years including grace period of not more than 6 months. Grace period is applicable for financing of plant / machinery and vehicle

Profit Rate

- Landed factory building / business premises: BFR – 0.6% per annum (yearly rest)
- Working capital, bank guarantee, plant / machinery, vehicle & renovation for business expansion: Up to BFR + 0.5% per annum (yearly rest) depending on the risk rating

YOUNG ENTREPRENEUR FUND

Small Medium Enterprise Development Bank Malaysia Berhad
(SME Bank)

<http://www.smebank.com.my>

Objective

To provide alternative access to financing for young entrepreneurs to start their new business as well as for the needs of their existing business.

Eligibility

- Malaysian youths between 18 to 30 years of age, owning a business.
- The business is registered with Companies Commission of Malaysia (SSM) under a sole-proprietorship or partnership firm, or a Sdn Bhd company.
- For a partnership firm or a Sdn Bhd Company, the applicant must hold majority shares of more than 51% and is the key decision maker.
- Minimum possession of entrepreneurship / vocational certificate.
- Those without entrepreneurship / vocational certificate could be considered through the acquisition of entrepreneurship training from the Centre for Entrepreneur Development and Research (CEDAR), SME Bank.
- Start-up companies / firms (in operation for less than 1 year) may be considered.

Quantum of Financing

- Minimum: RM20,000
- Maximum: RM100,000

Margin of Financing

- Working capital requirement: Purchases of raw materials, stocks, overhead cost, advertising & promotion etc.
 - Up to 100%
- Purchase of assets for business operations: Loose tools, machinery & equipment, office equipment etc.
 - Brand New: Up to 95%
 - Used: Up to 70%

Tenure

Maximum up to 7 years including maximum 1 year grace period

Profit Rate

5% per annum (Annuity Monthly Rest)

BUSINESS ACCELERATOR PROGRAMME

SME Corporation Malaysia
<http://www.smeCorp.gov.my>

Objective

To enhance capabilities of SMEs through business advisory and financial support. The Programme supports a wide range of capacity building initiatives to assist SMEs to grow their businesses locally and abroad.

Eligibility

For Malaysian SMEs

Type of Financing

- Matching Grant Assistance
- Soft Loan

Coverage

- Matching Grant Assistance
 - Certification and Quality Management System
 - Branding development and promotion
 - Packaging and product packaging
 - Productivity and automation
 - Online applications, mobile E-commerce, E-payment and ICT applications
 - Innovation and product development
 - Purchase of machinery & equipment (40% grant of the total cost with maximum grant of RM50,000 per company)
- Soft Loan
 - Purchase of machinery & equipment (including main software for services sector and commercial vehicles)
 - Working capital (purchase of stock / raw materials / packaging materials / renovation)

Quantum of Financing

- Matching Grant Assistance
 - Up to 40% of total approved cost (with amount financing to be determined by SME Corp. Malaysia) on a reimbursement basis with a maximum grant of RM400,000 per company.
- Soft Loan
 - RM50,000 to RM1 million

Margin of Financing

Soft Loan: Up to 90% margin of financing with a minimum financing of RM50,000 and maximum of RM1 million.

Tenure

- Matching grant: Up to a maximum of 12 months
- Soft Loan: Up to a maximum of 10 years (including grace period)

Profit Rate

Soft Loan: 4%

SHARIAH-COMPLIANT SME FINANCING SCHEME

SME Corporation Malaysia
<http://www.smeCorp.gov.my>

Objective

To provide financial assistance to eligible Malaysian SMEs whereby the Government has agreed to pay 2 percentage point of the profit rate charged on the financing provided by participating Islamic banks.

Sector Coverage

- Services
- Manufacturing and manufacturing-related services
- Agriculture (agro-based products)

Margin of Financing

- Maximum amount eligible is up to RM5 million per SME.
- SMEs may obtain financing above RM5 million, however only the first RM5 million will be eligible for the 2% profit rebate.

Eligibility Period for Profit Rebate

Up to 5 years from the date of the first disbursement (i.e. and / or until 31 March 2022) or until the facility is fully paid / terminated / recall due to non-utilisation of the facilities, whichever comes first.

SME EMERGENCY FUND

SME Corporation Malaysia
<http://www.smecorp.gov.my>

Objective

To assist SMEs whose business are adversely affected by natural disasters. This Fund provides soft loan financing for purchases of machinery and equipment, refurbishment of premises, and working capital requirements such as purchases of raw materials and consumables.

Types of Natural Disasters

- Flood
- Drought
- Beach Erosion
- Land Slide

Eligibility Criteria

- Applicant must fulfil the SME definition.
- At least 60% Malaysia equity.
- Registered under the Companies Act 1965 or Registration of Businesses Act 1956.
- Hold valid business premise license issued by Municipal Council (Local Authorities).
- Provide proof of evidence of natural disaster through:
 - Letter issued by District Officer
 - Verification report from SME Corp. Malaysia State Office
 - Facilitated by SME Corp Malaysia State Office
 - Operates in the area declared as disaster area by National Security Council (MKN) or District Offices

Coverage

- Grant
 - Refurbishment of premises due to the disaster
 - Electrical fixtures installed in the premises / Distribution Board Switchboard
 - Furniture (fixtures installed in the premises)
 - Floor / Wall / Door
 - Repair of machinery / equipment (related to the core business activities) damaged

- **Soft Loan**
 - Working Capital including raw materials but exclude salary and rentals.
 - Purchase of replacement machineries / equipment and premise's basic fixtures.

Quantum of Financing

Maximum: RM100,000 per company in the form of hybrid of matching grant and soft loan.

SKIM PEMBANGUNAN USAHAWAN MASYARAKAT INDIA (SPUMI)

TEKUN Nasional
<https://www.tekun.gov.my>

Eligibility

- Malaysian Indian SME
- Age 18 – 60 years old
- Financing from RM1,000 up to RM100,000
- Financing below RM20,000 will be channelled directly to individual financing while loan above RM20,000 will be channelled through a registered company (100% Indian own)
- Full-time or part-time business
- Paid up capital of not more than RM300,000 (paid up capital of more than RM RM300,000 can be considered)

Quantum of Financing

Maximum: RM100,000

Tenure

Up to 10 years

SKIM PEMBIAYAAN TEMAN TEKUN

TEKUN Nasional
<https://www.tekun.gov.my>

Objective

Using the concept of group to provide financing more easily, quickly and efficiently to address the needs of businesses.

Eligibility

- Malaysian and Bumiputera
- Aged 18-60 years old
- In business or have business proposals and viable potential ventures
- Have a valid license / permit / business registration
- Have a specific business place / location or trade for a move (mobile)
- Existing business financing does not exceed RM50,000

Quantum of Financing

- Minimum: RM1,000
- Maximum: RM50,000

Tenure

- RM1,000 to RM5,000: 6 months to 3 years
- RM5,001 to RM50,000: 6 months to 5 years

Management Charge

4% of the funding each year during the period of financing

SKIM PINJAMAN KECIL

TEKUN Nasional

<https://www.tekun.gov.my>

Eligibility

- Bumiputera and Malaysian.
- Aged 18-60 years (tenure expires up to 65 years).
- The applicant is not an undischarged bankrupt.
- Company 100% ownership of Bumiputera and Malaysian.
- Have a license / permit / valid Business Register (SSM).
- Have a specific business place / location or trade for a move (mobile)
- Directly involved in the business and part-time.
- The funding is for a single household (unless business registered separately) and good repayment record for household.
- Minimum paid-up capital not exceeding RM300,000.
- Financing of existing businesses received from MARA / AIM / SME Bank / PNS etc. not exceeding RM100,000.
- Applicant has conducted business. Applicants who want to start a business deal are required to have a minimum cash contribution of 20% of the funding amount as a commitment to conduct the business deal (project progress).
- For purchase of a commercial vehicle / heavy equipment, the amount of funding is 10% of the price of commercial vehicles / machinery (subject to cash flow and financial position of the applicant).
- For enterprise (partnership), must obtain a letter of authorisation allowing partners to create a funding applicant and partners must be Bumiputera and Malaysian.
- A private limited company (Sdn Bhd) shall provide the company's Pursuant to Resolution which gives permission for the finance portfolio on behalf of the Company for the financing of RM20,000 and above.
- Financing approval on behalf of enterprise (sole proprietor) for the financing of RM20,000 and above can be considered feasible by using the current account of the individual applicant or enterprise.

Quantum of Financing

RM10,000 to RM50,000

Tenure

Up to 5 years

Diligent management fund contributions

- Entrepreneurs are required to pay a contribution of 4% to the TEKUN Management Fund each year during the term of the loan. The contribution payment shall be made together with repayment of loans.

Savings

- Entrepreneurs are required to make a deposit of 5% of the loan each year. These savings should be made together with repayment of loans.

SKIM PINJAMAN MIKRO

TEKUN Nasional

<https://www.tekun.gov.my>

Eligibility

- Bumiputera and Malaysian.
- Aged 18-60 years (tenure expires up to 65 years).
- The applicant is not an undischarged bankrupt.
- Company 100% ownership of Bumiputera and Malaysian.
- Have a license / permit / valid Business Registration (SSM).
- Have a specific business place / location or trade for a move (mobile)
- Directly involved in the business and part-time.
- The funding is for a single household (unless business registered separately) and good repayment records for household.
- Minimum paid-up capital not exceeding RM300,000.
- Financing of existing businesses received from MARA / AIM / SME Bank / PNS etc. not exceeding RM100,000.
- Applicant has conducted business. Applicants who want to start a business deal are required to have a minimum cash contribution of 20% of the funding amount as a commitment to conduct the business deal (project progress).
- For purchase of a commercial vehicle / heavy equipment, the amount of funding is 10% of the price of commercial vehicles / machinery (subject to cash flow and financial position of the applicant).
- For enterprise (partnership), must obtain a letter of authorisation allowing partners to create a funding applicant and partners must be Bumiputera and Malaysian.
- A private limited company (Sdn Bhd) shall provide the company's Pursuant to Resolution which gives permission for the finance portfolio on behalf of the Company for the financing of RM20,000 and above.
- Financing approval on behalf of enterprise (sole proprietor) for the financing of RM20,000 and above can be considered feasible by using the current account of the individual applicant or enterprise.

Quantum of Financing

RM1,000 to RM10,000

Tenure

RM1,000 to RM5,000: Up to 3 years

RM5,000 to RM10,000: Up to 5 years

Diligent management fund contributions

- Entrepreneurs are required to pay a contribution of 4% to the TEKUN Management Fund each year during the term of the loan. The contribution payment shall be made together with repayment of loans.

Savings

- Entrepreneurs are required to make a deposit of 5% of the loan each year. These savings should be made together with repayment of loans.

SKIM PINJAMAN SEDERHANA

TEKUN Nasional

<https://www.tekun.gov.my>

Eligibility

- Bumiputera and Malaysian.
- Aged 18-60 years (tenure expires up to 65 years).
- The applicant is not an undischarged bankrupt.
- Company 100% ownership of Bumiputera and Malaysian.
- Have a license / permit / valid Business Register (SSM).
- Have a specific business place / location or trade for a move (mobile)
- Directly involved in the business and part-time.
- The funding is for a single household (unless business registered separately) and good repayment records for household.
- Minimum paid-up capital not exceeding RM300,000.
- Financing of existing businesses received from MARA / AIM / SME Bank / PNS etc. not exceeding RM100,000.
- Applicant has conducted business. Applicants who want to start a business deal are required to have a minimum cash contribution of 20% of the funding amount as a commitment to conduct the business deal (project progress).
- For purchase of a commercial vehicle / heavy equipment, the amount of funding is 10% of the price of commercial vehicles / machinery (subject to cash flow and financial position of the applicant).
- For enterprise (partnership), must obtain a letter of authorisation allowing partners to create a funding applicant and partners must be Bumiputera and Malaysian.
- A private limited company (Sdn Bhd) shall provide the company's Pursuant to Resolution which gives permission for the finance portfolio on behalf of the Company for the financing of RM20,000 and above.
- Financing approval on behalf of enterprise (sole proprietor) for the financing of RM20,000 and above can be considered feasible by using the current account of the individual applicant or enterprise.

Quantum of Financing

RM50,000 to RM100,000

Tenure

Up to 10 years

Diligent management fund contributions

- Entrepreneurs are required to pay a contribution of 4% to the TEKUN Management Fund each year during the term of the loan. The contribution payment shall be made together with repayment of loans.

Savings

- Entrepreneurs are required to make a deposit of 5% of the loan each year. These savings should be made together with repayment of loans.

SKIM PINJAMAN USAHAWAN VETERAN-ATM

TEKUN Nasional
<https://www.tekun.gov.my>

Objective

To assist former military personnel involved in business and entrepreneurship.

Eligibility

- Malaysian and Bumiputera
- Ex-pensioner or non-pensioner
- Aged 18-60 years old
- Family members of ex-army personnel will be considered

Quantum of Financing

Loan up to RM100,000

Tenure

Up to 10 years

GRANT SCHEMES



MODERNISATION OF AUTOMOTIVE WORKSHOP

Bank Kerjasama Rakyat Malaysia Berhad (BKR)
<http://www.bankrakyat.com.my>

Objective

To modernise existing workshops to compete in a highly competitive automotive service industry. The programme is implemented in collaboration with automotive associations and organisations as the Consultants and will be implemented until 2020.

Eligibility

- 100% Malaysian-owned
- Aged 18 to 60 years old
- Full-time entrepreneurs
- Business entities (Sole Proprietors / Partnerships / Sdn Bhd)

Target Group

Existing automotive workshops

Coverage

- Renovation / upgrade of business premise
- Purchase of machinery & equipment
- Stocks or working capital

Quantum of Financing

- Minimum: RM20,000
- Maximum: RM100,000

Tenure

Maximum: 15 years

Interest Rate

3% per annum (monthly basis)

SKIM BELIA NIAGA

Bank Kerjasama Rakyat Malaysia Berhad (BKR)

<http://www.bankrakyat.com.my>

Objective

- To increase the number of youth entrepreneurs in all dynamic and legal economic areas.
- To upgrade the business of youth entrepreneurs to be more dynamic, competitive and resilient.
- To provide funding facilities for youth entrepreneurs.
- To provide a collateral-free funding scheme with a low instalment rate.

Eligibility

- Youth entrepreneurs
- Aged 18 to 40 years old
- Full-time / part-time entrepreneurs
- Individuals / Business Entities (Sole Proprietors / Partnerships / Sdn Bhd)

Target Group

Youth entrepreneurs

Coverage

- Purchase of stocks or working capital
- Machinery & equipment

Quantum of Financing

- Minimum: RM5,000
- Maximum: RM50,000

Tenure

7 years (excluding 3 months moratorium period)

Interest Rate

4% per annum (monthly basis)

CRADLE INVESTMENT PROGRAM

Cradle Fund Sdn Bhd
<http://www.cradle.com.my>

Objective

- To create an ecosystem that supports a strong and innovative business-building environment for technology entrepreneurs.
- To achieve commercialisation efficiency and sustainable entrepreneurship for budding technology entrepreneurs per our credo of 'Catalysing Sustainable Technopreneurs'.
- To represent the Government's effort in boosting the quantity and quality of innovations and technology start-ups.

Eligibility

Malaysians aged 18 above

Quantum of Financing

Up to RM500,000

BUSINESS GROWTH FUND

Malaysian Technology Development Corporation (MTDC)

<http://www.mtdc.com.my>

Objectives

- Accelerate the development of local high technology companies by providing business funding to qualified grant recipients companies.
- Provide the “last mile” funding in the R&D&C value chain.
- Ensure that qualified grant recipients are adequately capitalised during their crucial formative years to build a business track record.
- Build enough “commercial” value in the company to make companies attractive for follow-on financing by venture capital (VC) and other financing institutions.
- Demonstrate that grant recipients which receive strong market validation for their products / services are further supported to become full-fledged commercial enterprises.

Type of Financing

The fund provides hybrid of grant and equity funding which acts as a transition and a bridge from grant to VC financing. The financial assistant is a mix of two components – a grant portion and an equity portion that is similarly structured but more flexible than a VC financing.

COMMERCIALISATION OF RESEARCH & DEVELOPMENT FUND

Malaysian Technology Development Corporation (MTDC)
<http://www.mtdc.com.my>

1. CRDF 1

Objective

CRDF 1 is a funding for the commercialisation of R&D output from public and private University (PPU) / Government Research Institute (GRI) by a Spin-Off (“Syarikat Terbitan Universiti, STU”) or a Start-Up company. CRDF 1 is designed to provide funding to enable spin-offs and start-ups to prove their technology’s readiness to be commercialised and to explore the market acceptance before receiving additional funding.

Eligibility

- Company incorporated under the Companies Act 1965.
- The company must be at least 51% Malaysian-owned.
- The proposed technology to be commercialised must be from one of the Priority Technology Clusters identified by MOSTI.
- The R&D must have been completed successfully and a commercial-ready prototype is available.

Target Group

- Spin-off companies from PPU / GRI
A spin off company:
 - A company with local Public and Private University / Government Research Institution ownership
 - Required to operate their business from any recognised Technology Centre locally
- Start-up companies
A start up:
 - A newly set up SME established specifically as the vehicle for the commercialisation activities of the specific project
 - Recommended to operate their business from any recognised Technology Centre.

Both types of companies are required to focus their commercialisation activities on business development while producing their product via out-sourcing mode.

Quantum / Margin of Financing

CRDF 1 provides funding in the form of partial grants with a maximum of RM500,000 or 70% of the eligible expenses (whichever is lower)

Project duration

Not more than 12 months

2. CRDF 2

Objective

CRDF 2 is a funding for the commercialisation of any local R&D by SME

Eligibility

- Company incorporated under the Companies Act 1965.
- The company must be at least 51% Malaysian-owned.
- The company is an SME as defined by the National SME Development Council.
- The proposed technology to be commercialised must be from one of the Priority Technology Clusters identified by MOSTI.
- The R&D must have been completed successfully and a commercial-ready prototype is available.

Quantum / Margin of Financing

CRDF 2 provides funding in the form of partial grants with a maximum of RM4 million or 70% of the eligible expenses (whichever is lower)

Project duration

4 years (2 years implementation and 2 years payback period)

3. CRDF 3

Objective

CRDF 3 is a grant for the commercialisation of any local R&D by a 'non-SME'

Eligibility

- Company incorporated under the Companies Act 1965.
- The company must be at least 51% Malaysian-owned.

- The company is an SME as defined by the National SME Development Council.
- The proposed technology to be commercialised must be from one of the Priority Technology Clusters identified by MOSTI.
- The R&D must have been completed successfully and a commercial-ready prototype is available.

Quantum / Margin of Financing

CRDF 3 provides funding in the form of partial grants with a maximum of RM4 million or 50% of the eligible expenses (whichever is lower).

Project duration

4 years (2 years implementation and 2 years payback period)

TECHNOLOGY ACQUISITION FUND

Malaysian Technology Development Corporation (MTDC)

<http://www.mtdc.com.my>

Objective

To facilitate eligible Malaysian companies in the acquisition of foreign technologies for immediate incorporation into the company's manufacturing activity. TAF's partial grant enables companies to avoid expensive and often risky technology development stages. The acquisition of technology could be in the form of acquiring know-how / Intellectual Property (IP) exploitation / rights / blueprints via one of the following methods:

- Licensing of technology
- Outright purchase of technology

Eligibility

- Company incorporated under the Companies Act 1965.
- The company must be at least 51% Malaysian-owned.
- The company is an SME as defined by the National SME Development Council.
- The proposed technology to be commercialised must be from one of the Priority Technology Clusters identified by MOSTI.
- The technology to be acquired must be a registered IP (Patent / Copyright / Industrial Design) with proven and significant sales volume in the country of origin.
- The technology provider must not hold any equity in the applicant's company.

Quantum / Margin of Financing

TAF provides funding in the form of partial grants with a maximum of RM4 million for:

- Licensing of technology: RM2.8 million or 70% of the eligible expenses (whichever is lower)
- Purchase of equipment from technology provider: RM1.2 million or 50% of the eligible expenses (whichever is lower)

Project duration

4 years (2 years implementation and 2 years payback monitoring)

PRE COMMERCIALISATION FUND

Ministry of Science, Technology and Innovation (MOSTI)

<http://www.mosti.gov.my>

1. TechnoFund

Objectives

- To undertake the development of new or cutting edge technologies or further develop / value add existing technologies / products in specific areas for the creation of new businesses and generation of economic wealth for Malaysia.
- To undertake market driven R&D towards commercialisation of R&D outputs.
- To encourage institutions, local companies and inventors to capitalise their intellectual work through intellectual property (IP) registration.
- To stimulate the growth and increase capability and capacity of Malaysian technology-based enterprises, Malaysian Government Research Institutes (GRI) and Institutions of Higher Learning (IHL) through both local and international collaborations.

Eligibility

- Eligible applicants can be researchers and other individuals from:
 - Small and medium enterprises
 - Institutions of Higher Learning
 - Research institutes
 - Science, Technology and Innovation (STI) Agencies
- Priority will be given to applications with projects:
 - that have been supported by the Science Fund and have the potential to be commercialised
 - from companies that have obtained the InnoCERT recognition.
- SMEs as defined by the National SME Development Council.
- All categories of companies must have a minimum of 51% equity held by Malaysians.
- Company must be in operation for at least 2 years from date of application.
- Company shall provide audited financial report as proof.
- All IHL / RI / STI Agencies should be registered in Malaysia.
- Government reserves the right to request the involvement of appropriate MOSTI agencies as collaborators. A Memorandum of Agreement between the collaborating agencies must accompany the application, clearly stating the respective scope of work, IP

agreement and ownership of all equipment purchased during the tenure of the project. The agreement must be stamped by entity.

- Applicant must have minimum paid up capital in cash of RM10,000.
- None of the company directors or project team members have been convicted of any fraudulent activities or the company been declared bankrupt, under liquidation or placed under receivership.
- The proposed project must contain elements of technological innovation leading to commercialisation of innovative products, processes and services.
- The proposed project should be in the pre-commercialisation stage with established working Proof of Concept (POC).
- The project leader and team members must be competent to undertake the proposed project. The resume and supporting documents of the project leader and each project team member must also be submitted.
- The following are not eligible for funding under the Pre Commercialisation Fund (TechnoFund).
 - Projects already undertaken, responsibility or portfolio of certain Ministry, Department or Agency other than MOSTI
 - Applications from Research Institutes with internal research funding such as CESS Fund
- The proposed project must be implemented in Malaysia.

Coverage

The scheme provides funding for technology development, up to pre-commercialisation stage, with the commercial potential to create new businesses and generate economic wealth for the nation.

Quantum of Financing

Maximum: RM3 million

Project Duration

Maximum: 2 years

2. Science Fund

Objectives

- To support research that can lead to the innovation of products or processes for further development and commercialisation.
- To generate new scientific knowledge and strengthen national research capacity and capability.

Eligibility

- This fund is open to all research scientists and engineers who are employed on a permanent or contractual basis from the following organisations:
 - Government Research Institutions (GRIs)
 - Government Science, Technology and Innovation (STI) Agencies
 - Public and Private Institutions of Higher Learning (IHL) with accredited research programmes
- Expatriates working under contract with any of the above institutions are eligible to apply. However, the project must have a permanent Malaysian co-researcher from the same institution, well-versed with the project, to ensure its completion in the event the expatriate's contract is terminated.
- The service of a contract researcher must be valid during the period of research proposed and contractual documents must be furnished as proof of employment for the period.
- The following organisations are not eligible for Science Fund:
 - Private Research Institutions (PRIs) in the private sector
 - Other department / agencies that carry out research under their purview
 - Research Institutions (RIs) with internal research funding such as Cess Fund
- Project proposals substantially similar to proposals submitted to any other government funding agencies.
- Researchers can lead only 1 project at any time. Researchers have to submit the End of Project Report (EPR), before submitting a new application.

Quantum of Funding

Maximum: RM500,000

Project Duration

The project duration is up to 30 months

3. InnoFund

A. Enterprise InnoFund (Eif)

Objective

To increase the participation of micro-businesses, individuals in innovative activities and encourage technological innovation of new or existing products, process or services for commercialisation.

Eligibility

- This fund is open to individual, sole proprietor, micro companies and small companies.
- The criteria for EIF are as follows:
 - All categories of companies must have a minimum of 51% equity held by Malaysians.
 - Applicant or collaborator under the small and medium company category must have minimum paid up capital in cash of RM10,000. However, start-up companies are exempted from this stipulation but must provide justification and supporting documents on the ability to sustain itself.
 - None of the company directors or project team members must have been convicted of any fraudulent activities or the company been declared bankrupt, under liquidation or placed under receivership.
 - The project proposal must contain elements of technological innovation leading to commercialisation of innovative products, processes and services.
 - The project must be for the development of new or existing products, processes or services with the potential for commercialisation. Projects or products which are in the research stage or are ready for production or commercialisation are not eligible.
 - The project team must provide evidence of technical competency to undertake the proposed project. The curriculum vitae and supporting documents of the Project Leader and each project team member must also be submitted.
 - Application from an individual must be accompanied by a supporting letter from a referee.
- Priority will be given to applications with projects:
 - that have been supported by the Science Fund and have the potential to be commercialised
 - Companies that have obtained the InnoCERT recognition

Quantum of Funding

- Individual / Sole proprietor: Up to RM50,000
- Micro / Small Companies: Up to RM500,000

Project Duration

The project duration is up to 12 months.

B. Community Innofund (Cif)

Objective

To assist community groups in translating knowledge and ideas into products, processes or services that improve the socio-economic standing and quality of life of the community.

Eligibility

- This fund is open to Registered Associations / NGOs, Registered Cooperatives and Community Group
- The criteria for CIF are as follows:
 - Applicant must be a registered / Government recognised Malaysian Community Group
 - The proposal must contain innovative elements leading to the development of products, services or processes that improve societal well-being
 - Applicant must show proof of financial capability that they can fund the portion of project costs not funded under CIF
 - Projects must be undertaken in Malaysia

Quantum of Funding

Up to RM500,000

Project Duration

Up to 18 months

DANA BANTUAN PEMBANGUNAN FRANCAIS

Perbadanan Nasional Berhad (PNS)

<http://www.pns.com.my>

Objective

An incentive to encourage local entrepreneurs to convert their conventional business to franchise business.

Conditions of Approval

- Dana Bantuan Pembangunan Francais (DBPF) claim should not exceed 2 years from the date of franchise licences.
- The company must participate in franchise development programme.
- The assistance is only for business format franchise.
- The company has appointed at least 5 Bumiputera franchisees.
- Each company is eligible to receive assistance for only 1 product and if the company gets another assistance for a different product, they should develop it under a different company.

Quantum of Financing

Maximum: RM100,000

VENTURE CAPITAL



HALAL TECHNOLOGY DEVELOPMENT FUND

Malaysian Technology Development Corporation (MTDC)

<http://www.mtdc.com.my>

Objectives

- To increase the economic contribution of Halal sector SMEs through export of halal products /services.
- To create employment opportunities for locals in halal-compliant industry.
- To develop, nurture and increase the participation of SMEs in halal-based industry set-up.
- To equip and enhance SMEs to develop and market halal-compliant products / services for the export market.
- To optimise returns and achieve capital growth for technology-based companies involved in halal-compliant activities.
- To develop Malaysia as a hub for production of halal-based products and services for the international market.

1. Halal Fund 1

Objective

Halal Fund 1 is a partial grant dedicated to grow an SME from small to medium-sized company with the application of technology in halal related products / services for local market.

Eligibility

- SMEs as defined by the National SME Development Council.
- The company is incorporated under the Companies Act 1965.
- The company must be at least 60% owned by Malaysian.
- The company has already obtained halal certification from Department of Islamic Development Malaysia (JAKIM).
- The company must not be a subsidiary of a GLC / MNC.

Quantum / Margin of Financing

Halal Fund 1 provides funding in the form of partial grants with a maximum of RM2 million or 70% of the eligible expenses (whichever is lower).

Project duration

4 years

2. Halal Fund 2

Objective

Halal Fund 2 is a partial grant dedicated to grow an SME from medium to large-sized company with the application of technology in halal products or services for export market.

Eligibility

- SMEs as defined by the National SME Development Council.
- The company is incorporated under the Companies Act 1965.
- The company must be at least 60% owned by Malaysian.
- The company has already obtained halal certification from Department of Islamic Development Malaysia (JAKIM).
- The company must not be a subsidiary of a GLC / MNC.
- The products or services have already been exported.

Quantum / Margin of Financing

Halal Fund 2 provides funding in the form of partial grants with a maximum of RM 4 million or 70% of the eligible expenses (whichever is lower).

Project duration

4 years

AXIATA DIGITAL INNOVATION FUND

Malaysia Venture Capital Management Berhad (MAVCAP)
<http://www.mavcap.com>

Objective

To invest in innovation and addressing the funding needs of local companies.

Eligibility

- Malaysian majority shareholding (more than 51%);
- Series A onwards; or
- High growth stage companies.

Sector

Anything digital or internet enabled ventures that have exposure across travel, logistics, education, services, media, Fintech and IOT spaces.

Investment Range

RM1 million to RM10 million or maximum of 15% of the fund size

ECM STRAITS FUND

Malaysia Venture Capital Management Berhad (MAVCAP)
<http://www.mavcap.com>

Objective

To manage a growth equity fund that invests in small businesses that are poised for rapid expansion and have a nexus to Southern Asia.

Eligibility

Small businesses where the application of technology and operational expertise to traditional industries can enable advantage and impact.

Sector

Verticals that target the rapidly growing middle class

Investment Range

Subject to negotiation

GOBI MAVCAP

Malaysia Venture Capital Management Berhad (MAVCAP)
<http://www.mavcap.com>

Objective

To invest in early stage start-ups related to information technology and technology-media-telecommunications in Southeast Asia and China.

Eligibility

- Ready product or solution to commercialise
- Strong founding team
- Scalability over the region

Sector

All technology-related sectors

Investment Range

From RM3 million to RM12 million

SUPERSEED

Malaysia Venture Capital Management Berhad (MAVCAP)
<http://www.mavcap.com>

Objective

To invest in early stage start-ups in information technology and technology-media-telecommunications in Southeast Asia, with main focus on Malaysia.

Eligibility

- Ready product or solution to commercialise
- Strong founding team
- Scalability over the region

Sector

All technology-related sectors

Investment Range

From RM500,000 to RM3 million

500 DURIANS

Malaysia Venture Capital Management Berhad (MAVCAP)
<http://www.mavcap.com>

Objective

To provide seed capital for the next generation of high growth South-East Asian start-ups.

Eligibility

- Early signs of traction
- Strong founders
- Fast growing companies
- Ability to scale on Internet

Sector

All technology-related sectors

Investment Range

- Minimum: RM100,000
- Maximum: RM2 million

DANA MODAL TEROKA

Kementerian Kewangan / Kumpulan Modal Perdana Sdn Bhd
<http://www.modalperdana.com>

Objective

To promote technology transfer and encourage technology opportunities through cooperation.

Funds

- Perdana Fund: Malaysian-based venture capital fund that focuses its investment in pre-IPO and high growth companies.
- Perdana International Fund: Foreign-based venture capital that invests in high-growth and high-tech start-up companies based in United States.
- Plug & Play Technology Holdings Sdn Bhd: Established with the objective to accelerate the development of local start-up technology-related companies via established eco-system that includes funding and technology nurturing.
- Electronics & Electrical Fund: Venture capital fund focusing on investing into growing companies with high growth visibility within the electronics & electrical space.

Technology transfer activities

- Relocation of HQ / R&D / Marketing Centre to Malaysia
- Setting up of an outfit in Malaysia
- Joint R&D Collaboration
- Training
- Market – International / Local
- Outsourcing
- Technology (IP)
- Business Cooperation

Investment focus

Information technology, Computer related, Telecommunications, Media/ Entertainment, Electronic, Advance Material, Biotechnology / Life Sciences

PNS EQUITY INVESTMENT SCHEME

Perbadanan Nasional Berhad (PNS)

<http://www.pns.com.my>

1. Franchise Scheme

Objective

This scheme caters for franchise-based businesses (both local and foreign based) with proven franchise model (either local or overseas) to support their growth and expansion.

Eligibility

- High growth trend and potential
- Registered with the Registrar of Franchise (ROF) and Malaysian Franchise Association (MFA) as a Franchisor / Master Franchisee/ Franchisee to a Foreign Franchisor.
- Minimum 2 years of uninterrupted Profit After Tax (PAT) with the latest PAT recorded at least RM500,000.
- Minimum shareholders' funds of RM1 million.

Size of Investment

Maximum of RM5 million

Tenure of Investment

Maximum of 5 years

2. Pre-IPO Scheme

Objective

This scheme caters for companies with listing potential and / or capital raising initiatives to support their business expansion.

Eligibility

- High growth trend and potential
- Listing potential within 1 year on Bursa Malaysia Securities Berhad
- Appointment of Listing Advisor

Size of Investment

Maximum of RM10 million

Tenure of Investment

Maximum of 3 years

3. Mezzanine Scheme

Objective

This scheme caters for companies with proven business model and growth potential to support their business expansion purposes.

Eligibility

- High growth trend and potential
- Profit after tax (PAT) for the last 2 years (audited) + current year PAT (forecast) of at least RM1 million.
- Minimum shareholders' fund of RM2 million

Size of Investment

Maximum of RM10 million for combination of Ordinary Shares and Cumulative Redeemable Convertible Preference Shares (CRCPS) or maximum of RM5 million for CRCPS only

Tenure of Investment

Maximum of 4 years for Ordinary Shares and 5 years for CRCPS

GUARANTEE SCHEMES



CREDIT ENHANCER SCHEME CREDIT ENHANCER-i SCHEME

Credit Guarantee Corporation (CGC)
<https://www.cgc.com.my>

Eligibility

- New businesses are eligible to apply.
- Malaysian-controlled or Malaysian-owned businesses.
- Must fall within the definition of SMEs as defined by the National SME Development Council.
- Borrower must have a good credit record.
- Franchise businesses can apply under this scheme.

Quantum of Financing

Loan of up to RM10 million

DIRECT ACCESS GUARANTEE SCHEME START UP

Credit Guarantee Corporation (CGC)

<https://www.cgc.com.my>

Eligibility

- Must fall within the definition of SMEs as defined by the National SME Development Council.
- Malaysian owned and controlled private limited companies registered under the Companies Act 1965, Sole Proprietorship or Partnership.
- Applicable for business in operation for 1 year or less.

Quantum of Financing

Loan amount ranging between RM50,000 to RM2 million

Guarantee Cover

Up to 100% and shall be valid up to the maturity date of the loan with a maximum tenure of 5 years

Guarantee Fee

- Unsecured: 0.75% to 5.75% per annum
- Secured: 0.50% to 3.60% per annum

ENHANCER EXCEL SCHEME

Credit Guarantee Corporation (CGC)

<https://www.cgc.com.my>

Eligibility

- Malaysian-controlled or Malaysian-owned businesses.
- Must fall within the definition of SMEs as defined by the National SME Development Council.
- The business must be in operation for at least 1 year. However, the key person must have at least 3 years' experience in similar industry inclusive of the current business.

Quantum of Financing

- Minimum loan: RM50,000
- Maximum loan: RM500,000

Guarantee Fee

0.5% to 5.75% per annum

ENHANCER BUMI SCHEME / ENHANCER BUMI-i

Credit Guarantee Corporation (CGC)

<https://www.cgc.com.my>

Eligibility

- New and existing borrower.
- Company must be registered in Malaysia.
- Eligible to Sdn Bhd, partnership and sole proprietorship business entity.
- Must be at least 51% owned by Bumiputera (shareholding) and must fall within the definition of SMEs as defined by the National SME Development Council.
- Guarantee coverage is up to 90% of the unsecured portion.

Quantum of Financing

Loan of up to RM10 million

Guarantee Fee

- Unsecured Portion: 0.75% to 4.00% per annum
- Secured Portion: 0.50% to 3.20% per annum

FLEXI GUARANTEE SCHEME

Credit Guarantee Corporation (CGC)
<https://www.cgc.com.my>

Objective

To provide guarantee for loans granted under Fund for Small and Medium Industries 2 (FSMI2) and New Entrepreneur Fund 2 (NEF2). The funds are designed to facilitate greater access to credit for viable Malaysian SMEs.

Eligibility

- Shareholders' funds not exceeding RM2 million.
- Malaysian-owned institutions (at least 51%) incorporated under the Companies Act 1965, Co-operative Societies Act 1993, Societies Act 1966, citizens residing in Malaysia and entrepreneurs registered under the Registrar of Business or any other registration authorities in Malaysia.
- Must fall within the definition of SMEs as defined by the National SME Development Council.
- Franchise businesses can apply under this scheme.

Target Sectors

All economic sectors except for money exchange activity

Coverage

- Expansion of productive capacity
- Working capital

Quantum of Financing

- Minimum Funding: RM50,000
- Maximum Funding: RM5 million

Tenure

Up to 5 years

Financing Rate

4% to 6% per annum

FRANCHISE FINANCING SCHEME

Credit Guarantee Corporation (CGC)
<https://www.cgc.com.my>

Eligibility

- All Malaysian-owned and controlled companies with net assets or shareholders' funds not exceeding RM1.5 million.
- Must fall within the definition of SMEs as defined by the National SME Development Council.
- The existing total credit facilities of the borrower should not exceed RM7.5 million.
- The borrower should not have any adverse record in respect of borrowing from any other financial institution or other agencies.

Quantum of Financing

Maximum: RM7.5 million

Tenure

Up to 5 years

Guarantee Fee

- Loans up to RM1 million
 - Unsecured Portion: 0.75%
 - Secured Portion: 0.50%
- Loans above RM1 million
 - Unsecured Portion: 1.00%
 - Secured Portion: 0.50%

ADB-EXIM TRADE FINANCE PROGRAM

Export-Import Bank of Malaysia Berhad (EXIM Bank)

<http://www.exim.com.my>

Purpose

ADB-EXIM TFP provides guarantee (up to 100%) to exporters on the Letter of Credit (LC) issued by the Participating Issuing Bank.

Eligibility

- Exporter has to be a Malaysian-incorporated company.
- Trade between Malaysia and 43 ADB Developing Member Countries.
- Goods that are not on the list of ADB Excluded Goods and Contracts.

Guarantee Amount

Up to 100%

Tenure

Based on tenure of LC

ADB-EXIM Trade Finance Program Participating Issuing Bank

- Afghanistan
- Armenia
- Azerbaijan
- Bangladesh
- Bhutan
- Cambodia
- Georgia
- Indonesia
- Mongolia
- Nepal
- Pakistan
- Philippines
- Sri Lanka
- Tajikistan
- Uzbekistan
- Vietnam

BANK GUARANTEE

Export-Import Bank of Malaysia Berhad (EXIM Bank)

<http://www.exim.com.my>

Purpose

To facilitate bond and guarantee issuance requirements including Tender/ Bid Bond, Performance Bond, Advance Payment Bond, Standby Letter of Credit (SBLC), etc.

Eligibility

Companies incorporated under Companies Act 1965. The guarantee must be for overseas contracts or investments.

Commission

Up to a maximum of 3.0% per annum

Tenure

Up to the requirement of the contract or funding requirement of the investment project

Security

Any but not limited to the following:

- Cash Collateral
- Corporate Guarantee
- Shareholders / Directors Guarantee
- Assignment of relevant contracts agreements and insurance policies

BANK GUARANTEE-i

Export-Import Bank of Malaysia Berhad (EXIM Bank)

<http://www.exim.com.my>

Purpose

To facilitate bond and guarantee issuance requirements of an overseas project or contract.

Shariah Concept

Kafalah

Amount of Guarantee

Depending to the project / contract value

Eligibility

- Against overseas contracts or investments
- The subject of the facility must be for Shariah compliant purposes

Tenure/ Period of Guarantee

Up to the requirement of the contract or funding requirement of the investment project

Security

Any but not limited to the following:

- Cash Collateral / Sinking Fund Account
- Corporate Guarantor
- Shareholders / Directors Guarantee
- First charge on fixed and floating asset of customer
- Charge on Landed Property
- Assignment of contract / payment proceeds/ Takaful / project rights and benefits
- Assignment of Designated Accounts
- Pledge of shares (Shariah Compliant)
- General Investment Account (GIA)

LETTER OF CREDIT

Export-Import Bank of Malaysia Berhad (EXIM Bank)
<http://www.exim.com.my>

Purpose

To facilitate the importation of strategic goods.

Eligibility

Malaysian companies registered under the Companies Act 1965. Non-resident Foreign Company is also eligible.

Tenure

Up to the requirement of the contract or funding requirement of the investment project.

Security

- Cash Collateral
- Corporate Guarantee
- Shareholders / Directors Guarantee
- First Charge on fixed and floating asset of customer
- Charge on Landed Property
- Assignment on contract / payment proceed / Takaful / project rights and benefits
- Assignment of Designated Accounts
- Pledged shares
- Fixed Deposit / General Investment Account

LETTER OF CREDIT-i

Export-Import Bank of Malaysia Berhad (EXIM Bank)
<http://www.exim.com.my>

Purpose

To facilitate the importation of strategic goods.

Shariah Concept

The Shariah contracts applicable to Letter of Credit-i are Wakalah and Murabahah depending on the requirement of the customer.

Eligibility

Malaysian companies registered under the Companies Act 1965. Non-resident Foreign Company is also eligible. The subject of the facility must be for Shariah compliant purposes.

Tenure

Up to the requirement of the contract or funding requirement of the investment project.

Security

- Cash Collateral
- Corporate Guarantee
- Shareholders / Directors Guarantee
- First charge on fixed and floating asset of customer
- Charge on Landed Property
- Assignment on contract / payment proceed / Takaful / project rights and benefits.
- Assignment of Designated Accounts
- Pledged shares
- Fixed Deposit / General Investment Account

GLOBAL ENTREPRENEURS FINANCING SCHEME MARA - EXIM

Majlis Amanah Rakyat (MARA) / Council of Trust for the People
<http://www.mara.gov.my>

Financing Facilities

- Purchase of assets or renovation
- Purchase of raw materials, payroll, overhead and others

Eligibility

- A Malaysian company registered under the Companies Act 1965.
- The operating company abroad must be in operation for at least 3 years and has received Audited Financial Statements with 2 years profit.
- Satisfactory business credit status based on BMC / CCRIS / RAM credit report.
- Meets the conditions set by MARA and Exim Bank.

Funding Limits

- Minimum: RM300,000
- Maximum: RM2 million

Guarantee Fee

1.5% per annum of the guarantee amount (including 6% GST)

Collateral / Guarantee

- Bank:
 - Land in Malaysia as collateral with Forced Sale Value of at least 50% of the total approved funding
 - 2 guarantors who stay in Malaysia
 - Guarantee that all members of the Board of Directors
- MARA as Guarantor:
 - Guarantee is provided by the Board of Directors

Financing and Guarantee Period

The maximum period of the loan and the guarantee is up to 5 years

Operations eligible to apply

- Trading houses
- Supply depots
- Working capital for manufacturing facility

- Professional services such as engineering consultant companies, Malaysian products franchisees, legal services and etc.
- Other business operations approved by Exim Bank

Business Location

This scheme is also available for businesses that operate in the countries where MARA has an office namely:

- Australia
- Egypt
- Germany
- Indonesia
- Ireland
- Russia
- United Kingdom
- United States
- Other countries where MARA plans to open its office in future
- Consideration may be given to businesses in the neighbouring countries such as Europe

MARA ENTREPRENEUR GUARANTEE SCHEME (MEGS)

Majlis Amanah Rakyat (MARA) / Council of Trust for the People
<http://www.mara.gov.my>

Financing Facilities

- Working capital
- Assets
- Project / contract funding

Eligibility

- For private limited Bumiputera company:
 - Business has begun its operation and received Audited Financial Statements for at least 2 years, and is profitable for the past 2 years
 - Paid-up capital of at least 20% of total funding
 - Satisfactory business credit status based on BMC / CCRIS / RAM credit report
 - Meets the requirements set by Bank Rakyat
- For Bumiputera sole proprietorship or partnership company:
 - Business has begun its operation and received Audited Financial Statements for at least 2 years, and is profitable for the past 2 years
 - A minimum sales record of RM500,000 per year
 - Able to present the latest 6 months bank statement
 - Satisfactory business credit status based on BMC / CCRIS / RAM credit report meets the requirements set by Bank Rakyat

Funding Limits

- Sole Proprietorship / Partnership: RM200,000 to RM500,000
- Private Limited Company: RM200,000 to RM2 million

Guarantee Fee

1% per annum of the guarantee amount (including 6% GST)

Collateral / Guarantee

Subject to the conditions set by Bank Rakyat

MARA ENTREPRENEUR GUARANTEE SCHEME (SJUM)

Majlis Amanah Rakyat (MARA) / Council of Trust for the People
<http://www.mara.gov.my>

Financing Facilities

- Cash Line Facility (Cash Facility)
- Documentary Credit Murahabah Facility (DCM Facility)
- Murahabah Working Capital Financing Facility (MWCF Facility)
- Bai Al-Dyan Working Capital Financing Facility
- Other facilities offered by commercial banks

Eligibility

- Bumiputera business with Private Limited, Partnership and Sole Proprietorship status.
- Business has begun its operation and received Audited Financial Statements for at least 2 years, and is profitable for the past 2 years.
- Paid-up capital of at least 20% of total application.
- Satisfactory business credit status based on BMC / CCRIS / RAM credit report.
- Meets the requirements set by the participating commercial banks.

Funding Limits

- Sole Proprietor / Partnership Company: RM200,000 to RM500,000
- Private Limited Company: RM200,000 to RM5 million

Guarantee Fee

1% per annum of the guarantee amount (including 6% GST)

Collateral / Guarantee

Subject to the conditions set by the participating commercial banks

SERVICES SECTOR GUARANTEE SCHEME

PROKHAS Sdn. Bhd
Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP)
<http://www.sjpp.com.my>

Objective

To assist SMEs in the services sector to gain access to financing from financial institutions.

Eligibility

- SMEs in the services sector and incorporated under the Companies Act 1965 with at least 51% of its shares are held by Malaysian and shareholder's fund below RM20 million.
- Fulfil the new definition for services sector endorsed by the National SME Development Council: Firms with sales turnover not exceeding RM20 million or full-time employees not exceeding 75 workers.

Quantum of Financing

- Minimum: RM100,000 only
- Maximum: Aggregate financing of RM5 million only per company

Coverage

- For working capital and capital expense (CAPEX) related to business and not for refinancing of existing facility by the same or other Financial Institutions.
- The participating Financial Institutions and SJPP will be responsible for determining the genuineness of the Borrower based on their credit evaluation policies and procedures.

Guarantee Coverage

70% by the Government on Financing Facility granted by the participating Financial Institutions

Guarantee Fee

1% per annum payable upfront

Tenure of Financing Facility / Guarantee Tenure

Up to 5 years or until 31st December 2020, whichever is earlier.

WORKING CAPITAL GUARANTEE SCHEME

PROKHAS Sdn. Bhd
Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP)
<http://www.sjpp.com.my>

Objective

To assist SMEs in gaining access to financing.

Eligibility

SME companies across all sectors incorporated under the Companies Act 1965 with at least 51% shares held by Malaysian and shareholders' fund of less than RM20 million.

Quantum of Financing

- Minimum: RM100,000
- Maximum: Aggregate financing of RM5 million per company

Coverage

- The facility is to be used for working capital requirements as well as for capital expense (CAPEX). The facility cannot be used to refinance existing facility granted by the same or other Participating Financial Institutions (PFIs).
- The PFIs and / or SJPP will be responsible for determining the genuineness of the Borrower based on their respective credit evaluation procedures.

Guarantee Coverage

70% guarantee to the financing obtained from the PFIs (including principal and interest) by the Government of Malaysia.

Guarantee Fee

1% per annum payable upfront

Tenure of Financing Facility / Guarantee Tenure

Up to 5 years or until 31 December 2020, whichever is earlier

Definition of SMEs



Definition of SMEs (effective 1 January 2014)

Under the new SME definition, the existing qualifying criteria i.e. sales turnover and employment remain but the threshold has been increased to:

- Manufacturing sector: Sales turnover not exceeding RM50 million OR full-time employees not exceeding 200.
- Services and other sectors: Sales turnover not exceeding RM20 million OR full-time employees not exceeding 75.

Detailed definition by category namely micro, small and medium is as follows:

Size	Micro		Small		Medium	
	Sales Turnover	Employees	Sales Turnover	Employees	Sales Turnover	Employees
Manufacturing	< RM300,000	< 5 employees	RM300,000 to < 15 million	5 to < 75 employees	RM15 million to < 50 million	75 to < 200 employees
Services & Others			RM300,000 to < 3 million	5 to < 30 employees	RM3 million to < 20 million	30 to < 75 employees

Note: < is less than
< is not exceeding

Under the new definition, all SMEs must be entities registered with SSM or other equivalent bodies. It however excludes:

- Entities that are public-listed on the main board; and
- Subsidiaries of:
 - Public-listed companies on the main board;
 - Multinational corporations (MNCs)
 - Government-linked companies (GLCs);
 - Syarikat Menteri Kewangan Diperbadankan (MKDs); and
 - State-owned enterprises.



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